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ABSTRACT

Results of a survey on the effects of federal student financial aid programs on the states are presented, including an overview of the findings for all states and information for each state. While some states indicated that the federal student aid programs had been the foundation on which state programs were structured, a larger group of states indicated that overall, there has been no significant impact of federal programs and policies on the states' programs. Most states felt that federal policies have not, in general, served to leverage additional state support. The states that did perceive a leveraging impact saw it arising out of the State Student Incentives Grants (SSIG) and the Guaranteed Student Loan programs. Overall, the states do not oppose discretionary use of SSIG funds, but many stressed that discretion should be flexible and permissive. States were also questioned regarding: the impact on the state if the federal contribution were eliminated or reduced; the effect of federal student financial assistance policies on the distribution of students attending independent versus private institutions in the state; the extent to which federal student aid policies have affected tuition and enrollment caps; and the state's approach to analysis of the impact of federal programs. (SW)

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SUMMARY OF SHEEO SURVEY

Prepared for the National Commission on

Student Financial Assistance

by the

State Higher Education Executive Officers Association

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SUMMARY OF SHEEO SURVEY

Group I. The Impact and Effect of Federal Policies

IA. (1) To what extent have the federal student financial aid programs affected your state's student assistance programs and policies? (2) How has this impact manifested itself? (3) Identify the changes in the state programs, the time period within which they occurred, and the nature of the relationship to the applicable federal policy.

IA The states fall into two major groups in response to the impact issue. The larger group of states indicated that overall, there has been no significant impact of Federal prfograms and policies on the states' programs and policies, although many of these states did indicate that the SSIG program had had an impact (in many cases, it was the only impact cited). In states where there had been no existing state grant program, SSIG was credited as the incentive for establishing one. Many states which did have existing state grant programs indicated that Federal participation had facilitated an expansion of the program. Most noted tne importance of GSL.

A smaller group of states indicated that the Federal student aid programs had been the foundation on which state programs were structured.

IB. (1) Have federal student financial aid policies and programs in general served to leverage the appropriation of additional state postsecondary support, or has it had a different effect? (2) Has any particular program (SSIG, Pell, etc.) generated more or less leveraging of state support? (3) Differentiate between state student aid funds and other state support of postsecondary education.

IB Most states felt that federal policies have not, in general, served to leverage additional state support, although many states which felt that there had been either no leverage or minimal leverage did indicate that SSIG had had "some" or a "slight" leveraging effect.

The states which did perceive a leveraging impact saw it arising out of the SSIG and GSL programs.

IC. (1) Dealing specifically with SSIG, what would be the impact on your state if the federal contribution were to be eliminated or reduced? (2) Indicate the impact in terms of the state student grant program in particular and student access in general. (3) Are there changes in SSIG which might make the program more efficient? (4) Should SSIG be expanded to allow the states more discretion in the use of the funds (e.g., for work programs instead of solely for grants)?

IC Approximately seven states indicated that there is a possibility that the state grant program would be eliminated if the Federal contribution were eliminated.

Four states responded that eliminating or reducing would have significant effect.

Another seven states indicated that elimination or reduction of the federal contribution would have a significant impact, but not a devastating one.

Nine states indicated no impact or a minimal effect if the Federal contribution were to be eliminated or reduced.

Of the twelve states which responded to the question in terms of access/choice, an equal number, six, indicated the impact would be on access, not choice while the remaining six indicated choice might be affected, but not access.

Only a few states (in each of the above groups) were able to indicate whether or not the state would likely reduce the number of grants or the size of the awards; these categories split evenly. Most states could not predict which way the state would react in that respect.

A number of states from each of the categories ranging from "elimination" to "no impact" indicated that the state would still come up with a package for students with the greatest need. Many states indicated that the middle class students would be hardest hit, with a number of states

indicating that the students at independent schools would feel the most impact; this response came primarily from states whose programs are largely geared to students at independent institutions.

Most states indicated that they would not replace the Federal contribution.

Almost without exception, the respondents indicated that the SSIG program is efficient and well run. Many feel it is the most efficient Federal program. A number stated that it is a good model for the ideal state-Federal partnership.

Overall, the states don't oppose discretionary use of SSIG funds, but many stressed that discretion should be flexible and permissive, not mandatory or inflexible. Most states favor keeping the program the way it is (but don't object to there being discretion for states who so desire). A few states favor the idea and would in fact use the money in work-study programs. Two states favor abolishing SSIG and using the funds for CWS.

ID. (1) Have federal sltudent financial assistance policies affected the distribution of students attending independent versus public institutions in the state? (2) Have these policies affected the distribution of students within the public institutions (2-year, 4-year, etc.)? (3) Have the federal policies affected the aggregate number of students attending postsecondary institutions in the state?

(4) Have any changes been weighted towards one or more particular categories of students? (5) To what extent has the state taken action to either reduce or capitalize upon such changes?

ID Virtually no state was able to respond to this question using quantitative data; there apparently is none. Some states are in the process of studying the matter; no results are in yet. The respondents answered this question based on their own sense of the matter. The majority of states indicated that there is no relationship between Federal policies and programs and shifts in student demographic variables. Many states have experienced incresed enrollments at public institutions, with a larger increase at two year schools. In fact, the increased enrollment at two year scxhools was the most common variable among the states. This is seen as being reflective of unemployment and the economy. Other than the several states which are responding to an increased demand for technical/science programs, none gave any response which indicates that action is being taken to reduce or capitalize upon changes.

Private enrollment levels have remained stable in many states, increased in a few and decreased in some. Some respondents indicated that there may be a tie between grant money reductions and private school enrollment decreases.

Some states indicated that community college enrollment increases are in part due to a "new kind" of student, i.e., the adult student. Some respondents also feel that the low cost of these schools enables some people who might otherwise not have had access to attend at the postsecondary level.

Changes again seem to be weighted toward the middle class student; it is this student who may be more likely to spend his or her first two years at a community college and then move to a four year school or attend a four year public rather.

Some states attribute enrollment increases to students who are seeking an education in technical, engineering or science areas. Several states are attempting to respond to this by strengthening these programs. One or two states have entertained the possibility of "loan foregiveness" programs in these areas.

IE. (1) To what extent have federal student financial assistance policies and programs affected state policies towards postsecondary education other than student financial aid? Included in this would be tuition and fee levels, enrollment caps, aid to independent colleges and institutional expansion/program review decisions.

IE The majority of respondents (approximately 20) indicated that Federal programs and policies have no direct impact on policies other than financial aid. Of the

18 respondents who discussed tuition increases as being affected by external policies, one half indicated that the state's own budgbet and policies are the key factor. The other half indicated tht Federal policies have had some effect upon tuition increases, in that federal funding made it, e.g., "easier to justify" those increases. One of these states which indicated that federal policies directly affected a tuition increase indicated that this was the case only with the state's medical school.

Only one state indciated that fees have been kept lower as a result of federal funding.

Most states don't have enrollment caps. A few do; one indicated that this is just now occurring and would have happened sooner without federal funds. Several other states that have caps have them only at the professional school level or in science/technical programs; this is not necesarily seen as being tied to federal funding.

IF. (1) Is federal student aid policy better or less well understood in the context of its impact upon the state than other federal activities? (2) If there is a difference, describe your perception of the reasons.

IF The states split on this one. Generally, smaller states and those with less complex state government systems indicate that student aid policies are better understood. This seems to be a function of active student aid officers'

organizations and of good communications between congressional delegations and institutions and governing/coordinating boards. Larger, more complex states generally indicated that student aid is less well understood often pointing to medicare/medicaid as a program which is better understood!

Group II. State Response to Federal Policies

IIA. (1) Is analysis of the impact of federal programs centralized in your state? (2) Which agency or office (or offices) handle such analyses? (3) In this context, how is federal policy on student aid handled? (4) Is legislative and executive analysis coordinated? (5) How and by whom?

IIA There is probably a fairly even split on this question. Generally, if a state's analysis is centralized, that analysis is done by the SHEEO office. In states where repondent indicated that analysis is "decentralized" or "not centralized," any analysis which is done is most often performed by the SHEEO office, although in several states where the analysis is decentralized it is performed by the entity most affected, e.g., the state guarantee agency deals with GSL matters; the institution deals with campus based program matters, etc.

Legislative and executive analysis is often not coordinated; to the extent that it is accomplished by the SHEEO or the governor's office.

A fairly common response, especially in smaller states, was "everyone does a lot of talking and communicating with one another," even if there is no formalized analysis process.

IIB. (1) How, if at all, has your state responded to the major changes in federal student aid policy, such as the eligibility changes in Pell and GSL?

IIB Approximately ten states indicate that there was no response or no major impact as a result of eligibility changes in Pell and GSL. About as many indicate that response was of a lobbying nature. A similar number discussed operational or proposed state GSL or bond issues for state loans. Approximately five responded that their state supported the changes, or even if they didn't agree in principle responded by charging state requirements to be consistent. A few states mentioned development of state work-study programs as a response, and one state is developing a state need based program. About four states were unclear as to reponse.

Overall, more states were concerned with GSL than Pell in this respect.

Of the states which have or are proposing GSL programs, more view it as a response to federal actions.

IIC. (1) Have changes in federal policy been announced with sufficient lead time to enable the state to respond in reasonable fashion? (2) Has the state engaged in sustained

analysis of the impact of federal student aid policy, or is such analysis done on an ad hoc basis? (3) Has there been sufficient information regarding changes in federal policy available to the state sufficiently in advance of implementation to allow for an appropriate state response?

IIC Most of the states feel that there is not sufficient lead time given. Of those which think there is enough time, many credit not the federal government but an intervening agency (e.g., the state's Washington office, NASFAA, SHEEO) with getting the information to them in time. Pell changes and social security changes were often cited as recent examples of cases where time was insufficient.

Analysis is ad hoc in most states.

Most feel that information is insufficient, although fewer than those who think lead time is insufficient. Again, other entities are credited with sufficiency of information where it is felt to exist.

Several states blame their own infrastructure for perceived inefficiency.

IID. (1) What is the relationship between your state's economic condition during the period covered, state support for postsecondary education and federal student aid policies? (2) Have the federal policies tended to be countercyclical or have they exacerbated economic swings? (3) Have state efforts been countercyclical or consistent with economic conditions?

IID Many states with poor economies feel that at a time when they are being hit with a bad state economy, the federal government is pulling back when it should be giving more support.

Most feel that federal policies exacerbate economic swings while state efforts are consistent.

Many perceive this issue as a state problem, not necessarily tied to Federal policies.

IIE. (1) What is the appropriate balance between state and federal involvement in postsecondary support? What role should the state play in the relationship between the federal government and the institutions in the distribution and use of student financial aid funds? (2) What, if anything, should be done to revise the relationship between federal student aid policies and states? (3) Include here programmatic suggestions as well as policy changes, at both the state and federal levels.

IIE Almost as many different responses as respondents. Overall, many feel that the federal government is and should be the primary source of aid, with the state supplementing that assistance.

States split in the role in distribution of funds; many see a value in state oversight, some see a waste of money with the state in the middle. Generally, the state should help when it can and not intrude if not necessary.

ALABAMA

Leverage

II.A. The state's grant and GSL programs came into existance as a result of Federal involvement. The grant program begain in 1975-6. Alabama GSL became operational March 1981.

II.B. Respondents indicated that federal programs, particularly Pell, are so large and have so much publicity that that is what has made it possible to get the state programs which do exist, i.e., the Alabama Student Assistance Program (SSIG) and the Alabama GSL Program. Initially, appropriations were made because the federal programs were there. When the federal government made cutbacks so did the state. Alabama began its student assistance program after SSIG and does not overmatch.

IV. The percentage of students at private schools who receive aid is much larger than in the public sector. Private students are more dependent on aid dollars. In the time period of the last ten years beginning with Pell, private programs have increased enrollment 3% per year. Alabama has a tuition equalization program but it is not seen as being related to the federal policies. It was established in 1978.

Appropriate Balance

III. The state is trying to make education available and that philosophy will continue. However, unless federal dollars are there there will be no replacement at the state level; although that may be different at the research end.

IV. A greater percentage of students who receive state aid are private school students. The state's latest survey show that slightly over 50% of the state's students receive federal aid. There has been an increase in enrollment; however, how directly this is related to federal aid policies depends on which percentage which receives aid is being viewed. It is speculated that half of the students in the state probably would not be in post-secondary education without federal aid. The state has not seen any great changes in the demographics of students, i.e., distribution shifts between private and public or within the public system. One thing that has been noted is a decrease in the number of veterans who are attending which, is correlated with a decrease in veterans' benefits. This has affected community college enrollment. The state has not taken any action to respond to these changes.

V. No response.

VI.a. SSIG. If the Feds did away with the SSIG program there would be no need based grant program in the state of Alabama, according to Respondents. There is a feeling that the federal threats of funding cuts have carried over into the state's philosophy. In 1982-1983 the matched federal dollars came from the institutions. Any perceived changes in the SSIG program could be related to the federal policies, however, they are definitely related to the state's economy. SSIG gave grants to 5,400 students this year. Many of those would need to turn to loans or drop out if the program did not exist.

In responding to whether or not the state should have discretion on use of funds now paid out of SSIG, it is felt that legislators would pay more attention to a need for a work study program than for a grant program and might possibly come through with more dollars.

VI.b. Alabama has a guaranteed student loan program which came into existence as a response to the federal program. The Alabama GSL legislation was passed in May of 1980 and became operational in March of 1981.

Alabama's response to major changes eligibility for Pell and GSL has been "changes have been implemented." It was noted that proposed changes have not been addressed on a statewide response level.

VII. In the past few years there has been increased understanding of Federal student aid programs.

Alabama's analysis of Federal programs is not centralized. The Commission on Higher Education attempts to keep students and financial aid officers well informed - but the effort is not well organized at this point.

The State feels it is given sufficient lend time to respond to Federal policies, and indicated that it (the State) has organizational problems which impede response. Analysis is ad hoc. Sufficient information is given, but same organizational problem exists.

Both the state's economy and Federal policies are linked to decreasing money for student aid. Federal policies are countercyclical. State efforts are consistent.

VIII.a. Exemplary programs. Alabama has a tuition equalization program to help defray cost of students attending private institutions.

VIII.b. Not given.

VIII.c. No examples given of private sector developments.

ALASKA

IIA The State Student Loan Program is the biggest student assistance program in the State. The State became heavily involved in the loan program when the Feds tightened eligibility. The State's grant program was developed as a result of SSIG. The State has no work-study program (although one is being developed). The State gets some Pell money but this is a small amount.

IIB Federal policies and programs did leverage the State in a negative sense. Alaskans were cut out of Federal assistance in large numbers and the State had to pick this up. GSL was most heavily affected.

III The Feds and the states should be in partnership with one another. Alaska believes in a matching effect, but the Feds should not be responsible for more than one half of the burden. The State's role is to coordinate and to try to centralize the function so there is an order to it. The state can be of help in interpreting what comes from the Feds; as it comes directly from them it is not always in the best usable form for the institutions. Regarding suggested revisions of the State-Federal relationship, respondent indicated that the Feds need to decide what it is they are trying to achieve and what the goals are. This should initiate student policies which would encourage a state to pursue goals. Alaska has a major problem with Federal definiions of needs or the way needs tests are run because no

allowance is made for differential. For example, the cost of living in Alaska is quite high. Many students are rendered ineligible for Federal aid in Alaksa because of this. For example, a family which makes $40,000 in Alaska is quite different than a family which makes $40,000 in Arkansas if each has one student wishing to attend college.

IV Federal student aid policies have not affected demographic variables in the State.

V None.

VIA If the SSIG were to be eliminated, Alaska would drop out of the program. There would be no need-based program at the State level. If the program were reduced, the State would still probably drop out. The State is an evenly matched one which receives only about $100,000 from the Feds. There would be no real impact on student access because the program is so small.

The State has no problems with the efficiency of the program, but feels that it is underfunded.

The State would oppose discretionary use of funds.

VIB Alaska indicated that it has "pretty much gone its own way." The State is now looking at the development of its own work-study program. The State has a "tremendous" and probably the most liberal loan program in the nation.

(Eligibility for the State loan is as follows: Alaska resident, attending an Alaskan school, full-time student, no needs test, undergraduate students--maximum $6,000 at 5%, graduate students--maximum $7,000 at 5%, and if a student resides in Alaska after attending school, the State will deduct up to 10% of his/her payments per year up to 50%; i.e., the State will write-off up to half of the loan as long as the student stays in Alaska.) The State has a very small Pell program.

VIC None given.

VII Federal student aid policies are well understood and understood probably as well as other Federal programs.

The analysis of Federal programs is centralized with the Commission on Postsecondary Education. The Commission also coordinates legislative and executive analyses.

Generally the State feels it is given sufficient lead time, although in some cases they are not. An example of this would have been Pell last fall. Analysis done on this is ad hoc. The State feels that it is given sufficient information.

Alaska's economy was on the rise when the nation's was flat. Thus, the State was able to pick up some of the slack left behind by Federal cutbacks. Federal policies have exacerbated. State efforts have been consistent.

VIIIA Alaska has a very large and liberal state loan program. It is easy to achieve eligibility. If a student resides in Alaska after completing his/her studies, the State will write-off up to half of the loan if the student remains in Alaska. (See response to VIB.)

VIIIB Alaska has introduced legislation to develop a work-study program.

VIIIC None given.

ARIZONA

IIA Respondent indicated that Federal policies have had little effect on the State. However, the Board of Regents did set aside 5% of last year's increase in tuition for grants to needy students in 1983-4. SSIG is the only major state-supported program. Arizona does not have a state-wide program. State "assistance" takes the form of tuition waivers; this is administered by the institutions.

IIB Respondent indicated that there is no leveraging impact in the State.

IIC Tuition has gone up in Arizona because it is a source of revenue. Federal policies are not functionally related to fee levels.

III The Federal government should continue to operate loan programs. Grant money which goes directly to students would be handled better if the states were involved in processing applications and awarding money, but the states couldn't take on this administrative burden without federal funds. Most institutions aren't set up to handle programs.

IV Arizona hasn't experienced any shifts in the demographic variables as related to federal policies. There are very few students in the private sector. Community colleges have grown at a faster rate, and there has been an

increase in four-year public institutions. The community college growth is related to the economy. Any changes which might exist in the aggregate number of students are not related to federal policies. Anecdotal data indicates that middle-class students are finding it more difficult to get aid. There is a perceived need of additional funds for the middle class. Respondent indicated that more students are going into business and science programs.

V The State has fostered the trend of students toward business and science programs. There is an effort to improve engineering programs in the State. The State has done nothing in response to the perceived need of the middle class.

VIA If the SSIG program were eliminated, Arizona would eliminate matching funds and the program would be terminated.

SSIG is one of the more efficiently operated programs. No changes are necessary.

It is not necessary to provide discretion. CWS works well as it is.

VIB The State has not responded to changes in eligibility in Pell and GSL. Arizona is a "late comer" to GSL; having joined the program within the past two years.

VIC None given.

VII Federal student aid policies are probably less well understood than others.

Analysis of federal programs is not centralized in the State, the process is described as "ad hocracy." The Board of Regents would do any analysis that might be done.

The State has not been affected by lead time for changes in federal programs because there has not been response at the State level. On the institutional level, however, there have been problems in delays for allocation and eligibility. There is a burden placed on the staff. There is no formal analysis done. Information is not sufficient at the institutional level.

Federal policies do not affect the economy as much as state policies and money. The State operates on the assumption that students will attend. Tuition is not high in the State.

VIIIA None given.

VIIIB None given.

VIIIC None given.

ARKANSAS

II.A The Arkansas Legislature probably would not have established the state's Scholarship program without federal incentive. As the program became more established, the state put more money into it; now it is 75% state and 25% federal.

Arkansas law dictates that money muist be provided to each qualified student who applies by the deadline.

II.B. Arkansas had no state student aid program prior to SSIG; it is now an overmatched state. Leveraging is not seen to be of any great impact. The legislature is not seen as being sensitive to increasing funds in the face of real or proposed federal funding cuts. There is a formula for state dollars going to institutions. Each two and four year institution has an appropriations bill. An "X-amount" is appropriated for education every two years when the legislature meets.

II.C. No impact.

III. No rationale given.

IV. There is no data as of yet to substantiate any trends. However, in 1981-1982 there was an increase in enrollment at two year independent institutions. There was a slight increase in enrollment in four year public schools. There is a larger increase in two year than in four year schools. In spite of the increase in public and decrease in private there is an overall increase in the aggregate number

of students. No direct ties to the federal policies are seen. No research has been done on what kind of students are most affected by this. No action is taken to capitalize on these changes.

V. No response.

VI.a. SSIG. The law in Arkansas requires that the state must provide money to each qualified student who has applied by the deadline; obviously this means prorated amounts depending on the number of qualified applicants. The respondent indicated that because the state must find money for every student there would not be much difference other than the dollar amount. It is not seen as something that would dramatically affect access, but it would choice.

VI.b. The GSL agency in Arkansas is a separate entity and is not under the umbrella of the Board of Higher Education. The Department's only responsibility is providing occasional information to the entity. It has been noticed that there were fewer loans given after the eligibility changes in GSL tightened. As far as PELL is concerned the Department tries to collect data from each institution; the Department does do a detailed report on how much money is coming into the state and how it is disbursed by the institution, etc. Arkansas has not seen a significant decrease in the federal funding in that area, or that is to say they haven't seen enough of a decrease to make them feel it necessary to ralley the legislators.

VI.c. No response.

VII. (See attached).

VIII.a. No examples were given of exemplary programs. The state has no tuition equalization program.

VIII.b. Respondent indicated that financial aid officers have seen a little more money in work study programs in the past couple of years.

VIII.c. There are no examples of private sector developments.

VII The state has a good working relationship with the SSIG office in Washington and finds it to be very responsive and very efficient. In fact, commendable.

There is no real centralized analysis of federal policies. The state agency does not have the specific staff or branch for that. Any analysis which is done is done through the Director of the Department. The legislature and the executive agency rely on the Department. Requests come to that office. That is the Department. The Department serves as a liaison between the legislature and the governor.

It is felt that there is not sufficient time in order to respond. An example given was that there was ultimate chaos last year in the delay of information and funds. The delivery system last year was the worst ever, although the state feels more positive about the upcoming year. Any analyses done of these types of things are done on an ad hoc basis.

VII Economic conditions: The state has had to reduce the state expenditures. The state funds whatever the condition merits. There is a very slight increase in funding for the '83/'84 year. Enrollment is projected to be up slightly for that period. The state's efforts are consistent with economic conditions.

CALIFORNIA

II.b. Federal student financial aid policies have not served as leveraging mechanisms. In the overall financial structure of the state post-secondary support is a relatively small part.

II.c. According to respondent California has not done a lot in direct response. There is not a substitution impact perceived there. Fee levels were not raised in response to PELL. Community college fees were raised in response to the state budget ('83/'84).

VII Respondent found it difficult to answer the question regarding sufficient time and information. It is felt that if something is going to be out the state can get it. No one in the state has a network in order to develop a state position which makes the centralization question irrelevant to some extent.

VII Clearly federal policies exacerbate the state situation along with fee increases and the inflexibility in the state's own situation. No funding has been increased as a result of federal policies and enrollment has not declined.

III. The federal government is responsible for providing dollars and should set minimum criteria for the distribution of funds, but allow flexibility for state use. The accountability of the funding source must be related to the flexibility of the system. This would also insure equity for all states. Respondent "has a problem" with the federal government or the state getting involved with the academic side of things. California has a problem at this time regarding satisfactory academic progress. Some people think that there should be, for example, a set level of the GPA to allow a student to remain eligible for aid; however, others feel that the state should simply set standards and let it go at that, because it is an institutional decision. Both the federal government and the state should try to avoid using funds to achieve ends other than the reduction of financial barriers. This is not to say that problems should be ignored, but the end should be the removal of those barriers.

IV. Distribution of students is being affected but it is not quite certain at this point how and what. The number of first time freshmen at private institutions is dropping and it is increasing in the public schools. This past fall is, according to projections, the first time there should have been an overall decline. However, there was an

increase at post-secondary attendance, all of this increase in public institutions. It is seen as possibly being a function of state policies and not the economy or not federal policies. The independent schools think its because of the California grant programs.

V. None.

VI.a. SSIG. The impact would be very significant in California. SSIG represents one-eighth of the funding for state programs. This would reduce by one-eighth the available funds at a time when fees are going up in all four segments (independent, U.Cal., state system, and California Community Colleges). There are now state resources to expand or replace those lost funds. It is estimated that the state would lose twelve of its $80,000,000 in that area. This would translate into about 7500 recipients. It is difficult to say which students would lose those awards because California's SSIG award winners are not identified before hand; in a sense the money is thrown into a pot and they are identified post hoc.

VI.b. That is a difficult question for the respondent to answer. There are a lot of problems in the state with internal political tensions. The state's interests in student financial aid is relatively recent. The interest as a state is not as longstanding as it is in the eastern part of the country. Its just not something they "had their act together" enough to make any determinations on.

VI.c. None spoken to.

VII. The analysis of impact of federal programs is not centralized in the state. No one is officially charged with state policy there are a lot of gaps in the system. Matters are handled ad hoc. Legislative and executive anaylsis is not coordinated. The financial aid directors are a fairly strong force in the state.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

COLORADO

II.a. Respondent indicated that there is a clear impact of federal programs on state programs. Most specifically, it made private students eligible for the SSIG program whereas prior to the federal programs, there students were not eligible for other programs. That has not generalized; private students have not been made eligible for the other programs as a result. The other impact seen is that when Colorado sets up regulations for state programs there is an attempt made to make them consistent with federal regulations. They are not identical, however.

II.b. There is not direct evidence of leveraging of money for state programs as a result of federal policies. The general enthusiasm by students may have inspired enthusiasm of the state. It eased fears of raising tuition. There is really no response of leveraging. In all likelihood this is true because Colorado did not have to create a program for SSIG; it already had a well developed state student program. There is an attitude in the legislature that seems to be one of resentment of implications that the state is expected to pick up federal programs. In short, they don't like to be told what to do. Colorado is an overmatched state.

II.c. It is possible that as a result of the federal programs there may have been more freedom to raise tuition. Respondent does not see any other impact. Enrollment caps apparently exist but are not related to federal policy.

II.d. There has been no response to GSL changes. A task force on alternatives was established. There were recommendations made by the Committee on student aid that more students should be served and, for example, they could work while going to school. In other words they would be able to finance education without federal aid. As to awards by campus if Pell shifts, the state would shift but they are unclear as to how they would do it.

III. Colorado would like to see federal funding and policy focused on aiding students, with the aiding of institutions delegated to the state. States should be encouraged to formulate student aid policies in accordance with the state's own objectives. For example, in Colorado there is little federal money coming into the state for institutions, and that is not something the state wishes to change. The state should spend money on student aid for its own objectives, while the federal focus should be on need based assistance. The state has, for example, merit based aid programs. The respondent also indicated the state's objection to the federal funding of states which have little

institutional support. With respect to revision of the state federal relationship, Colorado feels that the state is capable of playing a role in the distribution of funds and could help the federal government. On the other hand, many states don't have this capability, and in such cases, money shouldn't go through state agencies. Colorado emphasizes deregulation of student aid programs. For example, the government's attempt to reduce fraud causes interference and costs too much. There should be incentives for good management, i.e., emphasis on training rather than auditing. Overall, Colorado appreciates a latitude which allows them to be different.

IV. There is no evidence of any demographic variable changes as tied to federal policies. Although it is believed that the SSIG program has enabled students to attend private colleges. There could be a negative affect on the public schools if they were to lose out-of-state students as a result of funding policies. The aggregate number of students attending schools has not been affected. However, the portion of students attending full time was affected. The state experienced a shift to part-time education. Also it experienced somewhat of a shift from residential to commuter campuses.

V. The state has taken no action on any perceived changes in demographic variables. One program does enable out-of-state students lower fees if they live in the dorm, but this affects small institutions only.

VI.a. Colorado feels that if the SSIG appropriations decline much more, small institutions may find it not worthwhile to participate. If it is eliminated it could end private student participation in programs. SSIG is perceived as being a very efficient, well run program.

VI.b. There was no response to GSL changes. A task force on alternatives was set up. Regarding awards by campus, if Pell shifts, the state will also shift but they don't quite know how.

VI.c. No impact.

VII. The state does no central analysis on the impact of federal programs and policies. The Commission, as well as the GSL agency does some analysis and informs the governor and legislature of the impact and makes recommendations. Usually they don't see a direct response.

The general impression is that student aid is less well understood than many other federal programs. Student aid is one of many factors which determine whether a student will attend. For example if somebody is eighteen years old and can't get aid they will make a decision whether or not

to seek an education; as compared to someone who is sick and has to mae a decision as to whether or not to seek medical care.

There is not sufficient lead time. The present system is grossly inadequate for allowing students to adjust. Analysis is ad hoc. There is insufficient information.

State support is cyclical with state economy.

VIII.a. For example, Colorado has a program which enables out-of-state students lower fees if they live in the dorm. This affects small institutions.

VIII.b. No examples given.

VIII.c. No examples given.

CONNECTICUT

II.a. Connecticut created its own guarantee agency before the GSL program. However, the state created parallel programs to SEOG and college work study. Funds were appropriated and allocated to the institutions in order to supplement the federal programs. Overall, because of Federal participation it is felt that the state role is secondary.

II.b. To date, there have been few initiatives on the part of the state in response to federal student aid financial policies. The exception would be last year when Reagan's 1983 budget proposal threatened cuts. The state responded to this in three ways: first, it appropriated an additional $300,000 for student assistance programs; second, it created a bond program with an independent loan authority for students at independent colleges to allow them another borrowing alternative; and third, since public colleges could not participate in that supplemental loan money there was a $3,000,000 bond authority made available for Connecticut students in Connecticut public colleges. This was merely authorized; it is unknown at this time whether the funds will ever actually be released. It was a vehicle through which the funds could be routed to public students, if necessary. It is unknown from interview whether Connecticut had a state student assistance program prior to SSIG; Connecticut is an overmatched state.

II.c. (In part, same response as to II.a.) In response to threatened Reagan cuts of last year Connecticut created its own guarantee agency before the GSL program. However, the state created parallel programs to SEOG and college work study. Funds were appropriated and allocated to the institutions in order to supplement the federal programs. Overall because of federal participation it is felt that the state role is secondary.

The state has held the line on tuition and fees.

III. The federal government's role is to provide access to the public for low cost education and the state should play a secondary role. The state does have a leadership role in insuring access to money for aid. The state should have more input in defining what institutions could best benefit from, as well as on questions of defining elibility of institutions.

IV. There have been no studies done on any linkage between federal policies and student demographic variables. It is speculated that if the government backs out of SEOG, some students will be forced to choose public institutions. Connecticut provides $5,000,000 to independent schools for grants to needy and middle income families. Overall, however, the availability of federal funds has probably encouraged many who would not have attended school to attend. The students most affected by the changes will be middle to low income students and this affect would take the form of loss of choice action.

V. The state has done nothing to offset any possibily seen impact.

VI.a. If SSIG were to be eliminated the result would be 1200 fewer state scholarships. This would cause a minimal impact on access; the impact would be on choice. Previous reductions caused 275 recipients to be affected.

The SSIG program gives the state flexibility on how to administer the funds, and Connecticut favors the continued support of the program. The state would not like to see the money go to a college work study. With respect to the discretion colleges should have flexibility to send work study money into grant programs as opposed to visa versa.

VI.b. Generally, this is not seen as being tied directly to federal policies. Connecticut created its own guarantee agency before the GSL program. However, the state created parallel programs to SEOG and college work study. Funds were appropriated and allocated to the institutions in order to supplement the federal programs. Overall, because of federal participation it is felt that the state role is secondary.

To date, there have been few initiatives on the part of the state in response to federal student aid financial policies. The exception would be last year when Reagan's 1983 budget proposal threatened cuts. The state responded to this in three ways: first, it appropriated an additional $300,000 for student assistance programs; second, it created a bond program with an independent loan authority for students at independent colleges to allow them another borrowing alternative; and third, since public colleges could not participate in that supplemental money there was a $3,000,000 bond authority made available for Connecticut students in Connecticut public colleges. This was merely authorized; it is unknown at this time whether the funds will ever actually be released. It was a vehicle through which the funds could be routed to public students, if necessary.

VI.c. No examples given.

VII. Analysis of impact is centralized in Connecticut. The state's executive office of policy and management is responsible for this. The Board of Education also does analysis. The Board of Education coordinates responses to the "outside".

The state feels that it does not have enough time to respond to proposed changes. A classic example were the proposed social security changes where there was no lead time for planning at the state level. The state's institutions (higher education) coordinated and lobbied as a group through the state delegation in order to express concern over these kinds of things. Sufficient information is sometimes provided and sometimes not provided. Information is often not publicized sufficiently as in the case of social security.

VII. Federal student aid policy is more visible (as opposed to better understood) to the state legislature because of the impact on students. Also, it is a more volatile matter, one which is responded to emotionally.

Connecticut's economy is in bad shape, and the Federal government is compounding that. Federal policies exacerbate.

VIII.a. Exemplary programs. Eight years ago the state instituted a tuition fee waiver program.

VIII.b. None given.

VIII.c. None given.

DELAWARE

II.a. Delaware's state program is modeled on the Pell concept. Pell is built into the formula for aid; Pell is the first tier, state aid is the second tier, and campus based and PELL is the third tier. This program was set up in 1978.

II.b. The SSIG program served to leverage state appropriations; it is the only program which has done so. In fact, it is felt that perhaps other programs stand in the way of further state money; the legislature's attitude is one of "with so many programs, how can more be needed?"

Information not given in interview as to whether or not state program existed prior to SSIG; Delaware is an overmatched state.

II.c. The state is unique in that it has no state policies on tuitions, enrollment caps, etc. There has been no effect at the state level. It is unknown how institutions will respond.

III. Respondent indicated that balance cannot be assessed. As for the federal role: the college age population is a federal resource and the government is responsible for equal access and choice to all economic segments of the population. The state should enhance these opportunities. The federal support policy should be nationwide, and not depend upon in which state a person resides. To some extent, the federal government is slipping away from the

nationwide policy and this is "changing horses in mid-stream". The policy should return more towards where it began (or maintain current policy where it is unchanged). The system has taken a long time to develop and it is working.

IV. There probably are shifts in distribution of students but there is no real data to verify this. Federal aid has allowed more students to attend independent colleges and allowed them to make a choice between a two or four year school. Budget cuts will probably decrease the two or four year option and send more students to two year schools. In 1982 through 1983 enrollment decreased in both private and public institutions. There is no data to suggest any trend, however. Changes in distribution such as they exist have hit the middle class the hardest. Choice, rather than access has been affected.

V. The state has taken no action in response to the changes.

VI.a. If eliminated, the state student grant program would be reduced by 25 to 30%. The state would probably not make up that difference. Access, more than choice would be affected. Aid to in-state public school students would decrease, aid to out-of-state private school students would increase.

The program is perceived as being a very efficient one.

As for discretion and use of funds; funding is minimal at this point and there is no leaway for doing something other than grants with it. The state has drafted a bill for a state work study plan.

VI.b. One response has been the drafting of a bill for a state work study plan. In an initiative passed last year by the legislature, there was established a state supplemental loan authority. Although this authorized the sale of bonds, it was without the full credit and faith of the state behind it; it is felt that the program won't get off the ground without this backing.

VI.c. None discussed.

VII. Federal student aid policy is probably better understood than other education programs. It is probably less understood than other federal programs.

Delaware has no formal centralization of its analysis of federal programs. The Delaware post-secondary Education Commission does some informal ad hoc analysis. The Commission keeps the legislature and executive branch informed.

The state feels that it has not been given sufficient lead time to respond to changes in federal policy. Any analysis done of this is ad hoc. Generally there is not

sufficient information given. For example, Pell last year; the state was not certain until in some cases it was too late what the situation would be.

In the past bad economic periods were associated with increased enrollment especially at community colleges. Federal policies have exacerbated. State efforts have been consistent.

VIII.a. None given.

VIII.b. The state has drafted a bill for a state work study plan.

VIII.c. None given.

FLORIDA

II.A. Supplemental and complimentary policies have been developed to meet federal financial aid policies. The state revisits and reacts to policies on an annual basis. The Higher Education Act, particularly the portions pertaining to guarantee loan agencies, resulting in an increase of eligible students.

II.B. If there has been any leverage, it has been of a negative nature. The state legislature and policy makers think that the state should pick up where the federal leaves off. It is the opinion of the student financial aid directors that loans are the best mechanism of this kind. In Florida, matching dollars from the state have not been a problem, SSIG is overmatched 5 to 1. However, there is a reluctance for the state to step in where the government has established itself as the major provider. No response was given as to whether or not a program was in place prior to SSIG; Florida is an overmatched state.

II.C. Respondent's first reaction was a negative affect: validating selective service for Pell would cost one Florida institution $120,000.

In the program area, the state is authorized to contract with private institutions for particular professional/technical programs (e.g., nursing, social work, engineering). The state makes up the difference of the private and public tuition. Enrollment is limited.

III. Student financial officers do not favor a regional approach, they would prefer to go straight to the federal government, otherwise the process is slowed down. It is difficult to come up with a percentage with respect to balance. Student and family resources are the foundation, the second level is the federal government, and if absolute versus relative need remains, the state is responsible.

The desirable state role is a monitoring one. In some of the new burdens (e.g., validation), the state could provide technical support. The feeling is a greater percentage of the dollars would go to the student if the state had a role. The most appropriate role at the federal level is to provide broad guidelines without getting too specific.

IV. The overall affect of federal policy has been a negative impact on students in the private sector, although there has been a positive affect in the public sector. Florida has a tuition voucher program whereby high school graduates are given $750 per year to apply against tuition at private schools. Private students are negatively affected because of the failure of the Pell program to increase award amounts in line with inflation. The public students are positively affected because public tuition has not gone up at all.

Any changes in the aggregate number of students cannot be attributed to federal policies. There have been

enrollment increases in the private sector since the voucher program began. Public enrollment has remained stable. There is increased enrollment at the junior colleges especially on a part-time basis; four year enrollment has remained stable. The number of high school students going on to school has increased due to vocational educational programs.

V. The state has taken no action to reduce or capitalize on changes.

VI.A. Current reductions will remove $2,000,000 from the program next year and fewer students would receive aid. This will affect 2 to 3 thousand people.

Florida likes the SSIG program and doesn't think it should be changed. No response was given as to the discretionary use of funds; Florida has a state work program.

VI.b. A study has been commissioned. And, the state has created a work study program with $2,000,000 to be provided by the state to be matched by $2,000,000 from employers. The state is requesting revenue bond authority.

VI.c. No response given.

VII. Federal programs are equally difficult to follow.

Florida has a federal relations office on the Commissioner's staff which is located in Washington. This office is responsible for informing the state on federal policy and program changes. Not a lot of analysis is done;

the office is charged with finding changes and funnelling the information to student financial aid Commissioner's office--which would do the analysis. The state is realistically decentralized in that sense. Legislative and executive analysis is coordinated. There is a steering committee from the Department of Education, the legislature and the governor's office.

The state feels that it has not had enough lead time to respond to programs. Any analysis has been done on an ad hoc basis. Sufficient information is not provided.

VIII.a. Florida has a tuition voucher program for private school students. It also has a differential award program which gives up to $1200 maximum to private students and $750 maximum for public students.

VIII.b. The state is in the process of creating a work study program; $2,000,000 would be provided by the state and $2,000,000 would be matched by employers.

VIII.c. The state is in the process of creating a work study program; $2,000,000 would be provided by the state and $2,000,000 would be matched by employers.

II.a. There would have been no growth in state programs absent federal funding. The SSIG federal program established the state's grant program.

II.b. SSIG has leveraged state money. If Pell money went into matching programs such as SSIG, the same might be the case. Respondent indicated that some thought ought to go into more dollars in matching programs. Georgia is an over-matched state. The state went through a revision and a new funding formula was adopted which leads to a 75-25 ratio. All signs clearly indicate the Administration's attempt to curtail grant aid. All factors are generating demand for loan money. The state is faced with generating a great deal of money. The question is seen as being how much indebtedness should be force on students--its a social question. The pendulum swings too far.

II.c. No substitutions or responses to impact have been made yet. Concerns are as follows: in 1979 standards of progress were set which are now in chaos i.e., no progress has been made, and it was determined that each school should set its own standards. Its concern that stating outright that students must have a C or better is absurd. In another area, the draft could have a negative affect. The state has made adjustments to too many of these types of things that

haven't been all that bad. In most cases the state has been able to adapt. However, they feel that the federal government is starting to dictate.

The State has no enrollment caps (except previously existing ones for medical, dental and nursing programs) but a lot of people are being turned away from popular programs. Education in Georgia is "underpriced." Respondents indicated that their feeling is that the state does not charge enough tuition; this makes it hard to swallow because that is a big chunk of the cost of education.

III. The South has made a lot of ground but it is still behind. In the last ten to fifteen years there have been a multiplicity of programs and a lack of coordination. Since the early ECS studies there has been great headway using consistent forms and needs tests. Fewer programs exist and not as many different kinds of loan programs. On the administrative level this kind of thing should be brought closer to the home state and away from D.C. The state should have more flexibility. Responsibility administration of programs should be at the local level. An example is the Veterans Administration, where the multiplicity leads to overpayment. For all aid programs there should be adequate data for whatever the program may be to allow for maximum use of dollars.

IV. In the fifties, one out of every two students in the state were in private schools. There has been a slide, and now seventy-eight percent of the students are in public schools. There is a tuition equalization program which is non-need based and any student attending a non-public school can get $700 a year. This has stemmed the tide of shift towards public institutions. Without this program smaller schools would have closed. There has been a 1.3% decline in the private sector--enrollment is up in the public sector this year--there has been a 5% increase in junior colleges. There has been a slight increase in the four year universities. This has caused housing problems.

V. In the works is an alternative loan program which is to be introduced in the view future. It will involve revenue bonding. No further information is available; in short, people are waking up and looking for alternatives it hasn't quite been decided what they will be but the state legislature is not greatly concerned about student aid finance. There is strong state support for the GSL program.

VI.a. If the federal portion of SSIG were eliminated, there would be no replacement by the state. It would reach a point of diminishing returns and its possible that the legislature would dump the program. The respondents indicated that in the sum total more students would be assisted

if, in lieu of eliminating the SSIG program, the Pell money would be shifted to SSIG on a matching basis. The state programs won't be enlarged otherwise.

There is no objection to the federal government allowing discretion or optional plans; however, the state would not like to see work study mandated.

VI.b. The state lives in frustration of what they are going to do; there is a lot of grassroots support and lobbying. A lot of the work that's done is focused on GSL. With Pell they "take it as it comes." There is too little money. There are families right over the cap which do need help and the formulas are not sensitive to those debts. There should be more attention paid to alternatives.

VI.c. No response given.

VII. In general education policies are less understood than other federal policies on say, Medicad, Medicare, at least on the part of the governor and legislature. It is difficult to comprehend the federal student aid policies because they change so much too rapidly and with too little notice.

Notice for the 84 and 85 year has been sufficiently in advance but this is an exception. In the past most changes have been thrust upon the state so quickly. In general, the federal regulations are at least too late and its difficult to implement and creates a disaster. There is

just not time. Some information, as it pertains to GSL is not given sufficient information. Information is more sufficient on Pell and campus based programs. Any analysis the state does on these factors is on an ad hoc basis.

Student financial aid is seen as a small welfare system. By and large when the economy is down more people are looking for aid and going to school. The state's economy is not as bad as it is in other places.

The state's analysis of federal programs is not centralized. The regions are centralized as well as the university system, and there is some degree of coordination of thinking. By and large the state relies on state and regional offices.

VIII.a. Georgia has a tuition equalization program for private school students. The state is currently working on an alternative loan program, which is soon to be introduced into the legislature. It will involve revenue bonding.

VIII.b. A work study program would be good if it is campus work study; however, community work study would be too labor intensive, and therefore expensive.

VIII.c. No example.

ILLINOIS

II.a. Major effect of federal policies has been the grant area to deal with need beyond tuition and fees. There has been no reduction of state programs. In the past couple of years federal student aid programs have contributed to the awareness and demand for student aid.

II.b. There has been no leverage. It is difficult to know the extent to which enrollment has been stimulated. It is not a perceptible effect.

II.c. There has not been much effect. Possibly the availability of aid has had a marginal affect on private tuition and fees, but in the public it has had none. When federal aid grows rapidly, the Illinois contribution has lagged behind. It is a state issue more so than a federal effect. State has introduced a state bond program but it is limited in scope. Only one institution so far has sold bonds. It is primarily for large private universities. It has provided some funds to deal with needs. Illinois had a state program prior to the SSIG program. It is an over-matched state.

III. Respondent does not know of any general rule, or what would be "just right". As it is now, federal grants provide the foundation and the state supplements that to provide freedom of choice and access. The federal efforts to design a perfect system become counterproductive. There are different results throughout the country. The loan

program is one area in which federal support makes the most sense. The government should also be involved in research.

If there is a stable federal program it would not be necessary for the state to do anything but design programs for needs that the feds don't meet. The problem is that of lack of stability.

IV. There is no major shift in distribution perceived between the public and private institutions. Enrollment at two year schools is growing; it is catering to a different clientele. Four year enrollment is stable although the state experienced an increase of several percentage points in 1980. Respondent is unable to say whether or not the aggregate number of students has changed. As for changes, again they are starting to see a new kind of student the adult student at the two year schools.

V. Illinois' position is one of trying to maintain the health of all sectors; there have been no actions taken to reduce or capitalize upon any changes seen in the demographics.

VI.a. SSIG is not a major force in the state, and reduction at the federal level would probably increase pressure to maintain at current levels. Although budget reductions are occuring at the state level SSIG is a small part of that and not a major worry. ("Although $4 million isn't small change.") It is difficult to know empirically what the

affect would be of eliminating the program or of current reductions. The state has experienced no real enrollment decreases. There would be some effect if the program would be eliminated but its too complicated to predict how.

The efficiency or management of SSIG is not an issue, "SSIG has no affect on what we do in Illinois".

The state feels it has all the discretion it needs in the use of federal aid funds.

VI.b. The state has built a package on and if the federal reductions occur, than that would be taken into account. Thus far the state hasn't been able to replace any reductions. The threats to elilminate graduated and professional students from the GSL program and to restrict the eligibility of upper income students results in a state bond program. This program is limited in scope and only one institution so far has sold bonds. It is primarily for large private universities. It has provided some funds to deal with the needs.

VI.c. No examples.

VII. There is no major difference in the understanding of federal student aid policies and other federal programs.

State analysis is not centralized. The legislature, the executive branch, the board and the institutions all take a look at the issues. "People talk to one another." This is a collection of semi-autonomous actors.

The only reason the state feels that is had sufficient lead time is because programs are forward funded. The state has gotten by, but it has found it very frustrating to do so. It is difficult for students to live with the uncertainty. Stability is needed in order to deal with decision making at the federal level. Any analysis done by the state on this matter is ad hoc.

Illinois is in a deeper economic hole than the rest of the country. Federal student aid reductions occurred when state funds were scarce.

Illinois is in bad economic straits and reductions in federal student aid have occurred when state funds are scarce. When resources are scarce the demand is high and the state has had difficulty responding to the extent of the demand. Illinois has provided some additional money at the community college level where an increase in enrollment has been most noticeable and volatile.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

INDIANA

II.a. Federal policy has had a substantial effect on the philosophy, distribution and administration of state programs. State programs are based on an analysis of student documentation. Impact has been modest at best. Four years ago in anticipation of cuts the state constrained state appropriations. The state has not been aggressive in increasing aid as federal aid declined. State programs are targeted in a different group. There is no need for day-to-day concern. The state has appropriated an Act for the State Student Assistance Commission, which looks at federal dollars as replacement funds. There is no question about the fact that Indiana has adopted the basic grant definitions and the changes since 1980-81. The state sees a need to be consistent with the federal government. Is looking at the self-help concept and feels that the focal point is federal trends. (A clarification on the first part of this response which may seem contradictory Respondent was saying that the impact has been on the philosophy of distribution and administration more so than on the actual funding levels.)

II.b. Indiana terms this "replacement" rather than leverage. By this the Rspondent meant that, for example, of $2,000 of aid given to a student he/she would see $1,500 of it as being from Pell and then the state award would be $500; that $500 being viewed replacement. Indiana's

philosophy is to look at the level of the student funding that they should have and then look at how it should be accomplished. Indiana is not a state which feels that SSIG is a leveraging program --it's just not an operable concept in that state. As for college work study, the leverage has not changed in the last ten years. Information in the interview is insufficient as to whether a state program preceded SSIG; Indiana is an overmatched state.

II.c. Tuition and fees are set by the trustees of institutions and are reflective of other realities which are not tied to federal policies. The state is considering a loan forgiveness program for math, science, and technical areas of study. In Indiana, a student is less likely to know where his or her grant money has come from, i.e., state, federal or institutional. The institutions have done the paper work.

III. The objectives of the state and federal are not always the same. It is important for states to understand what the states want to get done. If federal programs can be carried out at the campus level, then so be it. But, there should not be a specified role. The state offers reasonable programs. The state should understand that the government is not going to make a pitch for a major change in the near future.

IV. Demographic variables on student attendance cannot be quantified and are not seen as being vitally important. Anything viewed in this area would focus on the vocational sector, which now has a lot more students.

V. None stated.

VI.a. The state did a budget analysis this fall assuming that SSIG would be zeroed out. Now that it hasn't been the state would go back and subtract those dollars from their recommendation to the state in requesting funds. From a policy perspective, the state's stance in the past several years has been one of replacing federal dollars just as they assumed them on the way up. If SSIG was eliminated, the state would probably move to replace the funds, and the student would not see any effect.

The efficiency of the program is not a topic of discussion.

As for discretion, it would be wonderful if the program were expanded, as long as the discretion is not overly limiting.

VI.b. As far as Pell grants, any changes or reductions that came at the federal level would not likely be replaced by the state. The kind of response from the state in changes in the programs has been one of lobbying. Contingency plans lead to plans for a new state loan program.

VI.c. None given.

VII. Federal student aid policies are better understood than other areas of federal policy because there is a lot more discussion about it. Also it has a strong constituent group in the financial aid officers. Student aid policy is as well understood as other areas of education.

Analysis of federal policies is centralized in part but overall is not centralized. The state student aid commission generally does any analysis that is done. They read materials and try to figure out the effect. There is very little legislative analysis. The State Student Aid Commission serves the legislature and the executive branch.

Indiana feels that other states are "babyish" about how the Fed screws up; they must do as they see fit. This responds to the question on adequate advance warning of program changes. Indiana feels that the fed does not understand cycles. States have a responsibility to anticipate what is going to happen and to act. There is analysis done by these changes by the SSAC. Sufficient information is more of an issue than timing. In this respect the Fed is awful and the state has done the best it could in informing the appropriate people when the feds haven't. It is harder to reach students. The fed is not attentive to students' needs. The facts change too quickly.

Indiana's economic condition is bad.

VIII.a. One example is that institutions sometimes establish goals where, for example, farm families don't have to pay until the family condition improves. The state does not really enter into this. It has been mindful of the problem but hasn't spoken to it. The state has a loan forgiveness program for students in technical and math and science areas.

VIII.b. The state is considering its own work study program.

VIII.c. None given.

II.a. The programs have been very broad and have augmented state provisions of funding. Federal programs have reduced the pressure on the state to pump more funds into the aid and pressure for rapidly increasing state plan. The state has been able to shift funds. The federal program has had a positive effect on access and aid. It has furnished resources and programs.

II.b. Respondent could not say that federal programs have leveraged money. SSIG has acted as a leverage and most of that goes to vocational students. This allows other programs to be 100% state supported.

II.c. The fact that the state hasn't had to put a lot of money into student aid for access has allowed them to put more money into problematic areas. Tuition and fee levels in the mid-70's to early 80's were stable and since have had a conservative growth. (The following statement is not to be identified with the State of Iowa in any final report: This conservative tuition policy left the state with a reserve for tuition growth for the period when the state would need additional money. This reserve has been used over the past three years and there is some left. There isn't much left and the state will now be increasing tuition at a faster rate than growth or inflation actually may call for.) There is no pressure for enrollment packs in the state.

III. Respondent said that it would be necessary to dig in order to surface back-up information regarding appropriate, and he indicated balance and he would try to send it. As for the role of the state; that produces a different answer from different people. Campus people should administer campus programs; state people should administer state programs. For example, work study should be at the institutional level and GSL should be statewide. As for Pell there is no need for involvement by an interim agency between the federal government and the institutions. Interim agencies soak up money. SSIG is another example of a program at the state level.

IV. Respondent believes that there is some effect on shifting demographic variables, but it is difficult to trace the cause and effect. For example, during the past six years in Iowa the number of high school graduates has declined 5,000 per year, while the number of entering freshmen has increased by 5,000 per year. This obviously is a countercyclical growth. The state has maintained an impetus of growth in the public and the private sector. This has been a significant growth in the two year programs. Overall, this growth may be linked to major federal programs. Needy students have chosen local schools. During this six year period the number of high school graduates going on to post-secondary has increased from 50% to 66%.

Aid at the federal level has levelled off, and in order to maintain access, states pick up the slack. For example, the private college tuition aid program which is based on need is a large program in Illinois. The Board pushed hard for aid to students at private schools in the face of no growth of federal programs. Within the period of strong federal support these schools saw a modest growth or at least stable growth, but now that the federal aid is tailing off the state needs to step in and pick up the slack.

V. Again there is an attitude that the state will need to pick up some of the slack in some of the programs that may suffer from a loss of federal funds, i.e., the state college tuition aid program.

VI.a. The SSIG program in Iowa goes to the vocational programs and an elimination or reduction in the program would reduce the vocational-technical student aid. The state has authority to lessen the impact of this by perhaps spreading it over other programs. Iowa is a state in which there would be fewer students receiving grants and the dollar amount of the grants would probably not change.

SSIG is an efficiently run program.

Additional flexibility is not needed in the program as long as states can spread it among their grant programs. Discretion would be o.k.

VI.b. Thus far the state hasn't done too much in response. It has tried to put a plus program into effect more quickly. It hasn't been very active. Eligibility changes haven't had a great impact yet. There has not been a problem with the GSL program. As for Pell, it's levelling off and this would probably put more pressure on the loan program but there hasn't been problems yet.

VI.c. None given.

VII. Federal student programs are better understood than others because of the immediate pressure put on students and parents. Also there is a fast turn around on the part of the officials in getting information out.

Analysis of federal programs is centralized. There is no formal executive and legislative coordination.

"Absolutely not"--in response to whether or not there is enough lead time. Analysis done of this is on a sustained basis. As for sufficient information it all depends on the timing of the decision.

The state's economic condition has been in good shape during the period covered. State support for education grew in the 70's although the rate has slowed in the past two years. Federal policies are countercyclical. State efforts are consistent although next year tuition aid for private students will be countercyclical. (The private college tuition aid program is one which gives aid to stu-

dents at private schools and one in which the state will try to pick up the slack in the loss of federal funds).

VIII.a. The state has a private college tuition aid program which is based on need. The state is with this program trying to pick up the slack of fall off of federal funds.

VIII.b. None mentioned.

VIII.c. None mentioned.

KANSAS

II.a. The impact has been modest. The state's scholarship and tuition grant program (for private colleges) was merged under a single administrative agency in 1974. As a result the state adopted MDE for determining need. However, a common needs test already existed between the two, so that MDE was not really an impact of the federal policy. Other than that no impact is seen. Identifying changes which occurred is more difficult. The state has tried to keep federal, state and campus policy as closely aligned as it could, so that separate regulations would not exist for each. To that extent the State has tried to follow federal policy.

II.b. There has been virtually no leveraging. The state's tuition grant program (private college program) was established prior to SSIG; Kansas is an overmatching state. SSIG <u>may</u> have had a limited affect in distribution. Pell had no real affect. Kansas does not use Pell as in other states.

II.c. The Regents instituted a tuition increase of 20% in 1983-84 in the face of cut-backs. The state has no enrollment caps; it is state law to admit graduates of accredited high schools into state universities. There has been a modest reduction in programs.

The Kansas economy which turned sour this year has lead to modest reductions in state funding and lower funding

requests. It has inspired increased spending in college work study.

Other kinds of existing support programs would be credit hour programs for community colleges. There are other isolated programs, for example, there is a reciprocal program for students in osteopathic and dental schooling. That's a reciprocal state program because Kansas doesn't have such programs in the state.

III. The federal and the state role is mutually beneficial. The state can't and shouldn't be responsible for the role of federal homesteading. It is necessary that the federal government recommit as to which programs will be ongoing. One should not be at the expense of another. The state should not funnel money to institutions. And, it is acceptable for the government to pressure states into matching fund programs. The response regarding the question on suggested revisions of the federal state relationship was to "revive" not "revise".

IV. There is no relationship seen between demographic variables and federal policies. It is difficult to say that there is direct effect of federal policies on the aggregate number of students. There is an indirect effect but more often than not it is a result of other factors. Junior college enrollment is up, private enrollment is down, and the four year schools are down just a little bit. This is

seen more as an affect of the state's economy and perhaps in part as a result of the indecision on the part of the feds on aid programs. This produces uncertainty.

V. None.

VI.a. There would be a direct impact if the program were eliminated or reduced. SSIG funds co-mingle with state funds to aid 2200 students. The state probably would not replace the funds. 900 students will be affected by this year's cuts. Students are seen as being on a continum, there is a point at which some will not attend as a result of the cut backs but it is unknown how many that would be.

SSIG is an efficient program as it is now.

There may be a need for incentive for college work study, it may be beneficial to have such discretion. However, it could also result in a number of states losing money and Kansas could be one of those. Its a matter for serious consideration. There are some merits to having money for states to establish work study; that would be seed money. If states would overmatch it would generate state dollars more quickly.

VI.b. There has been no real state response. A private foundation, the Dick Hawks Group, sells bonds. There is no central authority. A students last resort would be to go to a private source.

VI.c. None

VII. Federal student aid policies are not understood by anyone except financial aid people. Students don't understand them, parents don't, guidance counselors don't and institutions other than aid people don't. It is too complex for people to be well informed as terrible as that is.

The state's analysis of issues is decentralized. The private college association does some analysis. Everybody to some extent does their own thing and then communicates with each other.

There is not enough lead time to enable states to respond. Congress ignores the need for advanced planning. Analysis of these issues is done ad hoc. The feds do not provide sufficient information. NASFA does. Kansas relies heavily on NASFA. It is the opinion of the respondent that the feds also rely heavily on NASFA.

Kansas has just this year begun to feel the pinch of the bad economy.

VIII.a. None.

VIII.b. None.

VIII.c. None.

KENTUCKY

Note: The Council on Higher Education is not a governing board. The Council does not have responsibility for state programs on financial aid. It is a coordinating agency, which deals with the institutions, conducts reviews, and makes recommendations. That is the perspective of the interview.

II.a. Federal programs have not had that much of an impact. The biggest one would be GSL, which has grown over the past three years. This is tied to the guarantee portion of federal policy. The banks in Kentucky do not want to hold the paper. The result is that the state has been able to provide a larger number of loans.

II.b. Federal aid policies and programs have not given leverage for additional appropriation. The state has a small SSIG program which is overmatched. The state is moving towards self-sufficiency.

II.c. There is not a great deal of impact. Kentucky deals with tuition and fees as a function of cost. In-state students are "subsidized". There are no enrollment caps except in certain programs (e.g., law, medicine, dentistry) and no aid to independent institutions except for the Kentucky tuition grant program.

III. Respondent found the question difficult to answer. The block grant concept is more acceptable to states as long

as there is accountability. The feds shouldn't be involved in distribution to institutions; they should set guidelines and let states implement their own programs. The state shouldn't have the right to "yea or nay" distribution to the institution. The feds' role as guarantor for loans is a very important one and one on which the state relies.

IV. The state hasn't done much in the way of studies on demographic variables and it does not track distribution. A larger percent of students attend public institutions. This doesn't seem to make a difference, Kentucky has a state grant program specifically for private institution attendees which is not a part of the federal package. These variables are seen as being tied more to economics than to student aid. They are not tied to federal policies. A state keeps tuition low at community colleges without regard to federal policies.

V. None given.

VI.a. If the program were eliminated it would be at a cost of 3600 individual grants (1800 individuals). Most of these 1800 students would probably qualify for other financial aid packages through the institutions.

The program should not be converted into another kind of program; it is most helpful in grant form.

VI.b. Kentucky's only response to the changes was to change the appropriate limitations and questions on the forms to reflect the changes in the feds forms, e.g., truth in lending change.

VI.c. None discussed.

VII. Federal student financial aid policy is not understood any better or worse than other federal programs.

Kentucky does not have a centralized analysis for the review of federal program impact. The counsel collects the data which is requested by the state's office of management policy, which is the governor's analysis staff. Executive and legislative analysis is not well coordinated.

From the perspective of the counsel, there is enough lead time given on federal programs. However, the Kentucky Higher Education Assistance Authority would probably say that there is not enough time given. Analysis is ad hoc. Information is sufficient again from the perspective of the counsel while the KHEAA would probably disagree. The ability to obtain good information is a function of how active Congress is on these matters, and Kentucky has two fairly active people, Perkins and Natcher.

Kentucky's economy has declined over the last three years. All areas of higher ed. have withstood budget cuts to some degree. It is unclear what kind of tie that is to

federal policy. Federal policies are countercyclical and state efforts are consistent.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

LOUISIANA

II.a. Louisiana is a low tuition state and the federal programs have helped support that. There are few state assistance programs. The private sector, which is 15% of enrollment, has been greatly aided by Pell and SSIG. Louisiana would not have had the SSIG program without the federal incentive.

II.b. Federal programs have helped to leverage state funds especially in the case of SSIG and GSL. More importantly, the programs have provided access to more students, and increases in enrollment--which is still growing; respondent attributes this to federal policies.

II.c. Louisiana is a low tuition state and has been able to keep tuitions low because of federal programs. There has not been a percipitous rise in tuition. There are no enrollment caps. Programmatic decisions are controlled by the Board of Regents and cannot be attributed to federal policies.

III. The federal government's role is dual in that it should provide students financial assistance programs and funds for basic research. The federal government should focus on non-give away allowances for the poor. The bulk of balance is for the state to take over; the infra structure for higher education. The state should have knowledge of

what is taking place and should help when it can but if not necessary, should allow the institutions to deal directly with the fede.

IV. The federal policies have enabled the private sector to maintain enrollment percentages. There are no major shifts in distribution seen, although the aggregate number of students intending post-secondary schools has increased. Lower income students have benefited the most.

V. None given.

VI.a. The speculative answer is that Louisiana would continue to operate the state's share on a similar basis. It is conceivable that the program would turn into financial assistance to the private sector only.

The program is efficient. The intent of the program is good and no changes should be made.

Work study is adequate as it is now.

VI.b. Louisiana is in agreement with changes in eligibility and feels that the only response necessary is to comply with the changes.

VI.c. Louisiana's attitude is that all federal programs should be abolished save two: GSL and SSIG. The State has little use for give-away programs. Obviously, they would need to liberalize their standards somewhat for the poor.

VII. Federal student aid policies are better understood than others. The goals are well accepted by society and, although the general public doesn't understand the finer points, it is aware of the programs.

Analysis of federal programs is not centralized in the State. The Governor's Commission of Services to Education is the agency which handles GSL and SSIG. It is administrative only. It is a composite group of other boards. Non-campus aid programs are housed in that agency. The Board of Regents does some analysis and reports to the State legislature and Governor.

The State feels that there is enough lead time in which to respond to changes. Analysis is done on an ad hoc basis. A master plan is done every five years. Sufficient lead time is given.

Up until 1982, the State's economy was in good condition and was able to support increases in postsecondary education. The economy is bad this year and there have been very few state aid programs. Most are cooperative with the federal programs.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

Maine

IIA--None given.

IIB

The leveraging concept is not appropriate in this State. Maine does not use State money so much as matching funds.

IIC

Federal aid has enabled students to meet the State's increasing costs.

III--Not given.

IV

Demographic variables are having some effect but there is no quantitative data. Student aid increases the number of students who would otherwise attend. There is a slight shift to public schools from private. Certain marginal students would possibly have to drop out. The aggregate number of students would probably drop in the face of large budget cuts; e.g., a 20% drop in aid would probably lead to a decrease of 3-4% students.

V--None given.

VIA

If SSIG were eliminated the effect on the State would be minimal. Maine feels that it gets the "short end of the stick anyway." Money is allocated to the institutions. The effect on access, if the program were to be eliminated, is not measurable. The only changes the State would suggest in the program would be to make it a richer program.

VIB--Not given.

IIC--Not given.

VII--Not given.

VIIIA--Not given.

VIIIB--Not given.

VIIIC--Not given.

MARYLAND

IIA

The federal government provides the primary source (75 to 80%) of Maryland's Students Assistance Funds (10% state, 10% institutional resources). A main concern/impact is that students would become more indebted with Federal cutbacks.

IIB

Maryland is reliant on Federal aid; and somewhat complacent. The Federal programs were good, and State programs have been built upon those. State programs are constructed to take advantage of Federal money first; the need for State money was not stressed. The State will now need to assume responsibility for continuing a high level of access.

IIC

There has not been a tremendous impact. Primary policy decisions have been to encourage diversity in both private and independent sectors, and to try to keep the independent sector strong. A major impact of federal programs was a higher quality of operation overall because tuition was kept at a reasonable level relative to cost. Tuitions have increased, permitting a continued higher quality of operation and to bring revenues up.

III

The federal government is the primary provider. The state role is probably good as it has existed. Maryland would like to see more input at the State level and feels that a lot of things are dropped upon them. A better system would be to involve State before policy is made.

IV

The effect of Federal policies on a demographic variables has been at a minimum. What is being proposed now by the Administration may change this in that it would encourage students to select a lower priced education. So far, a high degree of choice has been available.

V--None given.

VIA

The impact of eliminating or reducing the SSIG program would be much less money in the State scholarship program. This would tend to reduce the amount of money that would go to the upper income portion of the needy. The State would need to be more selective in channeling the money to the neediest students first.

The program is operating well and changes should not be made.

No expansion should be made in the program; the problem is a shortage of grant money. The State is not opposed to an expansion of college work-study, but it should not be at the expense of SSIG.

VIB

Pell has been the cornerstone of financial support. The Pell reduction resulted in less grant funds for needy students and has boosted community college enrollment and hurt the independent colleges some. This has not been experienced to any great extent. On GSL, analysis at this point indicates that changes have not been major yet. For example, fewer people may have applied for GSL when the income limit went to $30,000, but the State hasn't seen a difference in those students above $30,000 who have applied and been able to show some need. It has been more inconvenienced, but there has not been a major impact.

C--None given.

VII

Federal student aid programs are well understood.

The State's analysis of federal policies is centralized in the State Board for Higher Education. The Board does initial analysis and reports to the Governor and the legislature on impact.

The State feels that it is not given enough time to respond to changes in programs. Information provided by the Feds is not sufficient, and there is clearly a lack of analysis on their part.

VIIIA--None given.

VIIIB--None given.

VIIIC--None given.

MASSACHUSETTS

IIA

The State at this time is trying to expand its role in face of federal cutbacks.

IIB

Federal policy has served as a leverage for the continued funding of the State's scholarship program. Massachusetts is an over-matched state. The proposed federal cutbacks have in essence almost forced the State to deal with the package of student aid. Several pieces of legislation are pending, including a bond program for loans, college work-study, and graduate program support. When Federal cutbacks came, the State did a report for all sectors. They looked at every Federal program coming into the State and developed a budget looking at all possible resources. One of these was "corporate support."

IIC

Massachusetts has a tuition waiver program. There is also a cooperative program between public and private schools; for example, there is a proposal where engineering students at U Mass and BU can transfer to local private engineering programs with the State making up the difference in tuition. Although this may not be directly tied to Federal policies, these federal policies, kept the money tied up, encouraged this kind of development. There is

a tuition waiver program for unemployed people who need training. This occurs at community colleges where approximately 120 people who are unemployed are exempt from paying tuition.

III

The State's analysis indicates that financial aid and parental contributions play the dominant role in the cost of education, not the federal government. This partnership of parent and federal should continue, the State doesn't believe in free rides. Loans and work-study were also major parts. Students are also carrying a major role. The major contribution of the State is in the public sector where award levels are adjusted for independent schools. The State is looking for the Federal government to enhance access for students as well as choice. The respondent's comments on the State's role are not to be identified specifically with Massachsuetts if used in a final report: The State's role should be one of coordination and information gathering. It should also be one of monitoring. Across the system, the State should be in a position to assess the resources coming into the public system in order to be able to plan and make policy.

Any revision in the Federal-State relationship might be a move toward increasing matching dollars for programmatic initiative; for example work programs.

IV

Massachusetts has experienced a 3% shift from independent to public institutions this past year; this is directly related to the cost of attendance. (Public and private enrollment in Massachusetts is fairly evenly balanced overall.) The State hasn't seen a shift of students from four-year to two-year schools. There is an open admissions policy at the community college system. As for the aggregte number of students, the projections are that there will be some decreases in student attendance. This has not been experienced yet. The State imports a lot of students. So far, the number of students attending is holding steady.

V

The State provides proposals aimed at assistance to independent students in order to enable them to retain access.

VIA

If the program were to be eliminated, 4,500 students would be eliminated. The State might not replace that

money, and more so it wouldn't give any kind of leverage. It is probably the marginal students who would lose out on this, the students with the most need would probably still receive aid. These marginal students may have to drop out of school.

The State feels that the establishment of direct grants is a matter of priority; CWS is a great program but it should not be expanded at the expense of the grant program. There is no problem with discretion as long as it is not mandated.

VIB

The State has established a loan authority during the past year. It has insituted a lot of other proposals or programs in order to have the State pick up a lot of the student aid package.

IIC--Not given.

VII

Federal student aid policy is better understood than other programs.

All federal programs are centralized in the State of Massachusetts. The Board of Regents is the agency which

announces the Federal financial policy. The legislature has taken a leadership role in dealing with these analyses of student programs and possible cuts. The Governor's office plays a role in the analysis and has a special unit on educational affairs which is a new office. The Board of Education plays a role also.

At a time when State unemployment was low, State funding was increasing. At a time when the State wanted to grow, the federal support was not there. Federal policies are countercyclical and State efforts are consistent.

There has not been sufficient lead time in the announcement of federal programs. The State's analysis is ongoing. There is not sufficient information given; this is also a time problem and a source of some frustration.

VIIIA

Massachusetts has a tuition waiver program for unemployed people who need training. This takes place at the community college level where approximately 120 unemployed people were exempt from paying tuition. This is based on a model and extended to all public schools.

VIIIB

The State is developing its own college work-study program.

VIIIC

The State has initiated a program where private industry helps to support technical training. This is in effect tuition waiver program and a cooperative program between public and private institutions. For example, students interested in engineering may begin their training at U Mass or BU and then transfer to local private school engineering programs with the State making up the difference in tuition. Industry would help to update this program. This is has forced a closer cooperation between all involved.

Also, the state is exploring the concept of corporate support as a budget resource.

MINNESOTA

In Minnesota, Federal programs are the core around which State programs have developed. At the same time, the State's intention is to take advantage of the federal money without allowing it to drive the State program.

IIB

Minnesota is an over-matched State.

There has been no leveraging impact. The State is generally ahead of what the Federal government is doing.

IIC

To a very limited extent, the State has recognized that with assistance available, it can allow tuition to go up a small amount for those who can afford to pay. This is not necessarily tied to Federal policy.

The State's philosophy is that it should try, if not too offset Federal reductions, to move for a change in State programs by establishing the principle around which the size of a State grant is determined independent of how the grant is determined. The State would take advantage of Federal money, but not follow along behind it or respond directly to it.

III

The most appropriate role for the Fed is basic support of individual students through grants and loans, and supports for applied and the basic research. The State has to

be a central force if substantial money is involved or it would undermine the State's goals for higher education. The State is opposed to Federal initiatives which seek to change State policy; e.g., SSIG.

IV

The respondent sees no effect between Federal policies and demographic variables. Does not see a change in demographic variables.

V--None.

VIA

Minnesota is an over-matched state. Elimination of the program would mean a reduction of 5% of present grant authority. it is debatable as to whether or not the State would pick that up.

The State would recommend no changes in the SSIG program.

The State would favor more discretion in the use of funds; the State should not be tied to Federal demands: "Don't make the tail wag the dog."

VIB

Minnesota would try to, if not offset federal reductions, move to change State programs by establishing a principle around which the size of a state grant is determined

independent of how the grant is determined. Minnesota would take advantage of Federal money, but not follow along behind the government or respond directly to it. The State is considering a supplemental loan program in part as a response to Federal policies.

VIC--None.

VII

People are probably as confused by Federal policy on student aid as they are on other Federal issues.

Analysis of Federal policy is centralized in the State. The responsibility lies with the Coordinating Board. The Board reports to both the legislature and the Executive Branch.

The State does not feel that enough lead time is given to respond to Federal polity changes. The analyses done by the State is ongoing. The State does not feel it is given sufficient lead time.

Federal financial support has fallen off along with the State's economic condition. State support has held firm; although there have been reductions, the support has been reasonably constant.

MISSOURI

IIA

The Federal government has inspired programs and the State of Missouri has reacted. Changes were made in the SSIG program to include nonprofit technical schools; this was directly related to the Middle Income Assistance Act of 1978. Missouri did not have a student loan program until 1975; it was established to receive inter-governmental funds. The State would not have a PLUS program without the Federal incentive.

IIB

Missouri is an over-matched state which did not have a program prior to the Federal one. To some extent there has been a leveraging impact. With the Missouri Student Grant Program, the State must come up with a certain dollar figure, that is, it is not a dollar-to-dollar match situation. It is a political creature in that the program provides choice for students wishing to attend private schools; 85% of the student grant funds go to students attending private schools.

IIC

Respondent is unable to say whether or not there has been a substitution impact in general. This would occur more at the institutional level. Some universities are more willing to increase fees (tuitions) in Missouri because of the availability of aid. There have been some policy

shifts, but they have not come from the Department of Higher Education.

III

The Department has no position on this; however, respondent indicated that Federal involvement is essential in financial aid, that there is a need for both Federal and State involvement. The State's role is one of guaranteeing the PLUS program and administering student loans and distribution of student grant programs. Most of the funding dollars go to the institution, however. The State could play more of a role. As for revision of the relationship, one concern is that although the Feds have a formula to determine need, financial aid officers in the State know better. A more direct involvement of the states would make sense because the states are closer to the problem and have a better idea of needs as well as a better understanding of the issues.

IV

It is difficult to give a sound answer as to the relationship between demographic variables and Federal policies. Enrollment has not decreased overall. There is a small decrease in the private sector, which may be tied to level funding. It is more so related to the economy. The enrollment at community colleges is up while four-year school enrollment remain constant. There is a shift seen

in the number of "traditional" students. There is some shift of private students to public schools, and some shift of public four-year students to two-year schools, and some adults attending two-year schools which were not attending at all before. Overall, there is no dramatic change in the aggregate number of students. The State's projection is that there will be changes in the next few years because of the economy.

V

The State really hasn't responded. They have, however, instituted the PLUS program for independent students and parents. There are fewer than 100 PLUS lenders.

VIA

If the SSIG program were eliminated, the State could terminate support. The primary impact would be on private school students. The purpose of the SSIG program in Missouri is to provide choice. Although the cost of public schools is increasing, the major effect would still be seen at the private level.

The SSIG program is a good program.

Discretion for use of funds would be acceptable depending on what happens in reauthorization. An economic impact analysis would be needed.

VIB

The State hasn't or wouldn't respond to changes in Pell because it is a Federal program and the dollars go to the institutions directly. The State has changed GSL eligibility to keep it consistent with the Federal program; obviously they have no choice in administering the program.

VIC--None other given.

VII

Federal student aid policy is less understood by state agencies and institutions. This is due to the nature of financial aid and the fact that it changes from year to year. There is no national policy, and therefore less possibility of future analysis because trends cannot be figured.

The universities are responsibile for analysis of Federal policies. The Department of Higher Education does a master plan. It is beginning to take more of a leadership role and centralization is there. Legislative and executive analysis is not coordinated.

Insufficient lead time is given. For example, changes in the loan program were immediate, and that caused havoc. It has driven up the cost of administering the program. Analysis of these programs is carried out. Information is insufficient.

The State's economy is poor. Revenues have not been sufficient to cover expenditures for the past two fiscal years. Leveral funding from the government causes a decrease in the effect of the programs. Federal policies are countercyclical. State efforts are consistent.

VIIIA--None given.

VIIIB--None given.

VIIIC--None given.

MONTANA

IIA

The only State program in Montana is the SSIG program which would not exist without the Federal incentive.

IIB

Montana is an evenly matched state which would not have a program without the Federal incentive. The SSIG program is the only example of a program which leverages state appropriations. There is a fee waiver program in the State's schools, however the State doesn't replace the dollars, rather the cost is imputed.

IIC

There is really no effect, according to the respondent. The State has raised fees but has not accelerated those increases. The fees are average for public and private institutions within the region.

III

Respondent indicated that to some extent, it is felt that the Feds should maintain the "partnership" philosophy that was established in the Sixties. Other than that, respondent has no thoughts on balance. The Feds should decentralize to the state, not to the institutions. The State then would develop a philosophy.

III

Revisions of the relationship between Federal and State would include returning to a block grant concept. In this approach, a state would have the proportions it wanted to use.

IV

The State only has four private colleges, one of which is very small. Montana is a public education-oriented state. Enrollment has remained constant. There has been no change in the aggregate number of students.

V--None.

VIA

If the Federal SSIG program were eliminated, State funds would cease.

The SSIG program is fairly efficient now as administered by the institutions.

Montana believes that Pell and SSIG should be combined as block grants to states. These block grants would be for student assistance and would include college work-study. States would then use money in a manner congruous to State philosophy. Montana is a work-ethic state which would strike a different balance if given the discretion.

VIB

The State would maintain GSL as it is. Montana believes that Pell and SSIG should be combined as block grants to states. These block grants would be for student assistance and would include college work-study. States would then use money in a manner congruous to state philsophy. Montana is a work-ethic state which would strike a different balance if given the discretion.

VIC--None given.

VII

The general public does not really understand Federal student aid policies, and neither does the legislature.

Analysis is not centralized. The office of the Commissioner of Higher Education does some coordination. The Montana Association of Financial Aid Officers provides some feedback. And the OCHE communicates with the Department of Education and Congress.

Lead time has not been sufficient and this has caused real problems with students knowing what will be available. Analysis is ad hoc. Information is sufficient.

The State's economy slump has increased the student population. Federal policies are countercyclical and state efforts are consistent.

VIIIA--None.

VIIIB--None.

VIIIC--None.

NEW HAMPSHIRE

IIA--None given.

IIB

The SSIG program has leveraged some support. The State program was developed subsequent to the Federal one. The State is slightly over-matched, very close to evenly matched.

IIC

The State has enrollment caps, but the university system had established those prior to cuts in Federal aid. Tuition levels are going up; this is due to a lack of money from the State legislature rather than as a result of Federal policies. Institutional expansion is not great, but that is not tied to Federal cuts. New Hampshire already has one of the highest state public tuitions. By statute, the full cost of instruction must be borne by out-of-state students, and by law the State may admit 25% out of state enrollees.

III

There should be more Federal and State support. No detailed information is available on balance. SSIG should be administered by the institutions, as it is now. In revising the State-Federal relationship, New Hampshire would recommend cutting back on the validation of Pell somewhat. This might involve returning to separate applications.

IV

There are no figures to bear out any trends of demographic variables as related to State decisions or Federal policies. There has not yet been a shift. The State does notice some falling off of applications at private schools. (50% of the State's students are in private institutions.) The aggregate number of students has held steady.

V--None given.

VIA

If the Federal SSIG portion were eliminated, there is a chance that the State would lose its program. There is also a possibility that it wouldn't due to a reciprocity system with surrounding states. The program has helped students have access to postsecondary education; this could be restricted without a program.

SSIG is one of the best Federal programs.

The State is opposed to discretionary use of the funds. The amount of money in New Hampshire now is so small it would dilute the impact if the funds were to be used for anything else.

VIB

In the 1981 legislative session, the State passed a loan corporation bill which enables colleges that can have an "A" rating on bonds to float bond issues. There is a consortium of four-year colleges in the State, and there will be a major effort to expand this program in the face of the fall off of the GSL program. As for Pell, the State hasn't responded. The State would be lucky if it could get money to respond, it notes.

IIC--None given.

VII

Student financial aid is better understood because of the number of people it benefits.

Analysis of Federal policy is not completely centralized, but to the extent that it is, it is done by the Commission. Lobbying is done by everyone.

The State feels that it does not receive sufficient lead time; an example of this was with the Social Security changes. No analysis is done because there is no staff to do it. Sufficient information is available.

New Hampshire has a low unemployment rate. There is lots of high tech industry moving into the State. This has had no affect on support levels of education yet.

VIIIA--None given.

VIIIB--None given.

VIIIC--None given.

NEW JERSEY

IA

The Federal-State relationship has changed over time. Since the early Seventies, the State has tried to plan and coordinate with the Feds and that has been unsuccessful. The State offered validation and collection activities which were not accepted by the Feds. Federal rules were not workable. As a result, the State decided to go its own way in 1978-79. The State has operated loans in a supplemental way; for example, when there was a $3,000 loan limit, the State petitioned the Department of Education to raise that limit. When the Department refused, the State started a program to raise the limit to $5,000 for medical and dental programs.

IIB

New Jersey is a highly overmatched state. There is some leverage. However, matching programs are done as an automatic response and there hasn't been much difference made by Federal policy.

IIC

Respondent claims no affect on student demographic variables by Federal policy. The State has moved ahead in developing standards for academic progress. This is related to the Federal leniency in not checking to see if recipients are actually moving towards a degree. This is key to a tuition aid grant program.

III

The State's role is aimed at tuition costs, the Federal's at nontuition costs. The Feds have not thought it through that well.

<u>This information, if used in the final report, is not to be attributed to the State of New Jersey</u>: In some Federal programs, the states could help in the administration. States can play a helpful role to institutions, but this is not an argument that the Department is anxious to start. There are private institutions, for example, which need absolutely no state intervention because the state could not do much to improve the situation; however, other institutions could profit from state assistance.

IV. Respondent indicates that a rise in the basic grant program has increased enrollment in two year public institutions. Also contributing to an increased enrollment is the feature of Pell which allows part-time students aid. State grants are only given to full-time students.

Independent school enrollment is stable. The most significant enrollment increases have been seen at the 2 year schools. Four year enrollment is stable. The feeling is that federal programs have probably expanded aggregate enrollment but it is unclear to what extent. Part-time students have, overall, been most favorably affected by programs.

V. None given.

VI.a. If the SSIG program were eliminated or reduced the probable result would be a merge with the state's Tution Aid Grant Program. If the program were eliminated it would reduce the grant given to 8,000 students. These would probably be the middle-income students.

The SSIG program operates well.

The state has no objection discretionary use of funds.

VI.b. The state has not responded that much to the Pell changes. There has been more of a response to the GSL program. The state has developed option papers; for example, as in what would happen if the origination fee were increased to 10%. The state has carried out an examination

of contingencies. The state operates GSL so they will continue to look at the "what if."

VI.c. None given.

VII. Federal financial aid in education is better understood because the news gets out in an individual fashion.

Analysis is centralized with the state's Washington office, which serves as a federal liasion. There is a central document which does result. The Governor disseminates information to the legislature.

New Jersey feels that often there is not enough lead time; for example, the announcement of the PLUS program was "a real mess." On the other hand, the budget process gives ample lead time due to forward funding. Analysis is done by the state. Information is more sufficient than lead time. This is because of the state's D.C. office.

Higher education plans in the state are more tied to state revenue than federal economy. However, there are exceptions, as in the gas tax, which would diminish the state's ability to raise taxes and provide revenue. Federal policies exacerbate and state efforts are consistent.

VIII.a. None given.

VIII.b. The state is trying to promote a work study program.

VIII.c. None given.

NEW MEXICO

II.A. The Respondent is unsure to what extent federal policies have impacted the state. Some impact has manifested itself by a reduction of students tied to a reduction of funds. The state did develop a SSIG program and initiated a CWS program. CWS went into effect in 1981-82.

II.B. Federal policies have not leveraged state support. The initial Reagan administration proposals probably lead to the state's CWS program. (II.b. New Mexico is an evenly matched state. However, they have the authority to over match.)

II.C. In 1981-82 tutition increased by 10%. In the past year the state has recommended a further increase of 5%. The recommendation was amended on the floor of the Senate and provide for no increase for in-state students. The rationale was that students were hard enough hit already, and the state should find the money elsewhere. There will be no increase in 1983-84. A "student choice" law was passed to provide dollars for students at private institutions. Language indicates that a student would be given the difference between private and public tution; however, no money has been appropriated.

III. New Mexico's position is that the State should play the main role. The state's policies are consistent with the Federal Government's autonomy and local control. Respondent indicated that block grants are good enough. With these, a state could promulgate its own roles.

IV. No studies have been done to determine the student demographic variables issue. However, private school enrollment decreased by 11% in 1981 through 1983. Some of this might have been an affect of federal financial policies. (One third of the total federal allocation goes to private institutions.) Enrollment at two year institutions increased 14.7% and four year enrollment increased 2% in the period 1981 through 1983. The recession might have contributed to this in that many unemployed people came to school. The aggregate number of students has remained stable overall. There is a suspicion that the attrition from the private schools, because it occurred in the first two years of school, might indicate that these students went to two year programs. The state has no studies on the type of students effected.

V. The state is developing high tech programs.

VI.a. If SSIG were to be reduced or eliminated, 50% fewer students would be served. They would probably not be denied

access. The state would make efforts to pick them up in college work study. Perhaps a small number of these students would be unable to attend post-secondary school.

The SSIG program is well run.

Regarding discretion, New Mexico has no reservations with federal policies as they are.

VI.b. In response to GSL, the state sells severance tax bonds and uses funds and income earned off of pertinent funds and has authority to sell revenue bonds. The intent was for the state to have its own loan program. The state's loan program is operative, but it still depends on the feds to guarantee. The response to changes in Pell has been that more students have applied for loans.

VI.c. None given.

VII. Respondent is uncertain as to whether or not federal student policies are better or less understood.

The state's analysis is decentralized. It is handled by the federal regulations as they go out to the institutions.

Generally, the state feels there is enough lead time given although sometimes they panic. Analysis is ad hoc. Sufficient information is given.

New Mexico is very hard hit in its economy. The state is the third highest state for higher education support per capita. Federal policies haven't affected state policies. State efforts are counter reciprocal.

VIII. The state has passed a "student choice" bill to provide money for students at private institutions. The language indicates that students would be given the difference between private and public tuition. However no money has been appropriated for this program.

VIII.b. The states own work study program went into effect in 1981.

VIII.c. None given.

NEBRASKA

IIA

Nebraska's respondent indicated that State programs have not been affected by Federal programs because there are no State programs. There is an SSIG program which is run through the institutions. For the past four years the State has attempted to put through an appropriations bill to support a $5 million state scholarship program. The State has also proposed legislation for a state work-study plan. Funds would not be provided until next year. The intent of this plan is to have something in place in case the Federal work-study program changes.

IIB

No leverage, because there are no state programs.

IIC

The Federal programs have enabled the State to keep their fees and tuition lower. These would increase if there were no Federal support. Some argue for an increase in tuition and fees to increase eligibility for Federal funds.

III

The Federal government should support students and the State should support institutions. There has been proposed a study of financial policy of higher education in Nebraska. A detailed study is being negotiated. One suggestion that has been made in the State would be to try on a trial basis

on a trial basis a tuition increase by $10 million which would then be used for student aid. This would support students and not institutions. Basically, the Federal policy should be to aid students and to support research and public service activities.

IV

Demographic variables have not been affected by Federal policies. Aggregate number of students has not changed. The State has an open enrollment policy, and students are not shopping for bargains.

VI--None given.

VIA

The impact on Nebraska would be great if the SSIG program were to be eliminated. The State aids 2,000 students through this program. However, the State money would be shifted to other programs. There would be no loss of students because the institutions would still come up with a package one way or the other.

VIB

The State's response to changes in Pell and GSL has been a lobbying response more than anything. However, nothing has been highly organized in this area.

VIC--None.

VII

Federal student aid policy is better understood because there is more press on it and people know about it.

Federal analysis is not centralized. The Coordinating Commission does what anlaysis is done and is trying to become a central agency. Analysis is done by institutions, but there is no coordination.

The State feels it has sufficient lead time. Analysis is ad hoc. Information is sufficient. There are no major problems, in short. This is probably because there is only one program at the State level.

VIIIA--None.

VIIIA

The State has legislation pending to develop a State work-study program. If it goes through, regs would be promulgated this year and funds would not be available until next year. The intent is to have a program in place in case changes come in the Federal program.

VIIIC--None given.

NEVADA

IIA

The only state student aid program Nevada had was a grants in aid program given to the regions and disbursed to the campuses; usually this was used for tuition payment. The State sees no major impact from Federal programs and policies.

IIB

No leveraging occurs other than perhaps with the SSIG program.

IIC

Very little impact. There have been no tuition increases, no enrollment caps. There is one science program which has necessitated an enrollment cap; the State is looking for funds to ease this problem.

III

In general, the State should have the greater role of support. This has been the case in Nevada. The institutions should work directly with Federal government on a decentralized basis.

IV

There has been very little change or effect in student demographic variables. There is only one very small private institution in Nevada. No changes or shifts have been seen

from private to public or within the public system. Pell has made a difference in the aggregate number of students in that it has increased attendance. Lower income people have been most affected by the Federal programs.

V--None given.

VIA

Nevada is an over-matched state. If SSIG were eliminated or reduced, it would wipe out the program. The State would not replace the funds. Students would have to return to scholarships and campus money.

The Federal SSIG program is run well. Any inefficiency which exists is in the State. The university system position might be that as long as the program is there it will be administered (as a grant program).

VIB

Matters regarding Pell and GSL are referred to campus aid officers. Their response is one of a lobbying nature. They do make efforts to keep eligibility consistent with Federal eligibility.

VIC--None given.

VII

Federal student aid policy is better understood because there is so much in the papers.

Analysis is somewhat centralized in the office of the Chancellor.

Sometimes there is sufficient lead time and sometimes there is not. Analysis is done on an ad hoc basis. There is sufficient information to allow for response.

Nevada is in a slump economically. Enrollment is growing. The population is growing, and there is an influx of people into the State. State efforts are consistent.

VIIIA--None given.

VIIIB--None given.

VIIIC--None given.

North Dakota

II.a. As a result of the SSIG program North Dakota shifted state aid so that it was more sensitive to middle income students. As the feds pull back, the state will leave the emphasis there.

II.b. North Dakota is a over matched state. The emphasis in the program is aiding middle income students. With federal cutbacks, the state would probably leave its emphasis there.

II.c. There is not much impact. The state is raising tuition because it needs more money, not because of federal policies. Enrollment caps have been discussed but only if the state's funding is cutback. These are state problems.

III. Pell should be the model for Congress' tool to direct money to students to meet national priorities. There is a need for state and local campuses to direct money to meet their own objectives. There is inflexibility in the Administration's 84 proposals. This would eliminate the ability of states and local jurisdictions to respond to their own needs.

State programs should not be the "tail that wags the dog." The state has not had a free hand to dictate what happens at individual campuses. Ideally a plan would foster state goals but allow autonomy.

The state federal relationship, except for "a little bit of fine tuning," should be left as it is. However the 84 proposals should not be accepted. That would tip the scales too far and force all students into one mold.

IV. North Dakota is experiencing more enrollment than ever across the board. It is difficult to isolate the reasons. No shifts have been noted between schools, no change in aggregate numbers overall. (North Dakota has eight public four year schools, two private schools, and three community colleges--which are not in the same system.)

V. None given.

VI.a. If the federal portion of SSIG were eliminated, the state would maintain its commitment. There would be a negative effect on middle income students. The program is small, so it probably would not lose students.

The program is great the way it is.

If given discretion, the state would not change its own program; but it would be a good concept overall.

VI.b. The state has proposed GSL legislation to provide a fallback if the federal program dies. This would be a state funded program. In response to Pell, the state has asked for more money in the state grant program. The request has not been honored because of state fiscal problems.

VI.c. None discussed.

VII. Federal student aid policies are better understood because within the past year the consciousness level from the Governor on down has been greater than ever. The fear of cutbacks has lead to greater public visibility.

The state's analysis of federal programs is not formally centralized. A task force has been commissioned by the Board. No formal cordination exists between the legislative and the executive branch.

The state feels that it has had sufficient time. It does have a problem because it has a biennial legislature. That makes it more difficult to respond. The state has a good relationship with its congressmen. Analysis is done on an ad hoc basis. There is sufficient information given.

The state's economy has more effect on state education than the federal policies do. However, the federal policies exacerbate state conditions. In a time when student aid is declining, student enrollment is increasing and costs are far greater. The relationship is not cause and effect. However, the impact is not coincidental. State efforts are consistent. -

VIII.a. The state has drafted its own GSL program proposal.

VIII.b. None given.

VIII.c. None gven.

II.A. Respondent indicated that federal student programs have not directly effected Ohio programs. Indirectly, federal student programs have effected the expansion of the types of institutions which can participate. The state has added nursing programs and there is reciprocity with Pennsylvania. The largest state program is the Ohio Instructional Grants Program. OIG is a tuition/fee program developed in 1970. It is an income-driven program. A table of grants in the statute provides a specific grant amount based on family income, number of children and level of tuition and fees.

II.B. Ohio is an overmatched state for SSIG. Some leveraging exists where federal programs have gone to level funding. Serving somewhat as a mechanism to encourage the state to maintain programs which it has in existence through increased funding. The state has seen an increase over the past biennium.

II.C. Private institutions have increased fees. Public fees are driven by state subsidies; there is a direct relationship between state subsidy and fees. The state has no enrollment caps. The gap is growing wider for the private sector and this sector has been driven to seek state aid.

III. Respondent indicated that essentially, Ohio does not disagree with the current level of involvement by federal and state. The federal involvement should be with

total indirect costs and the state more involved with direct costs. There is some concern with federal involvement in the regulatory area of higher education in the state. The state should not be involved in the distribution of funds, these should go directly through the regional institutions. There is no need for a revision of the federal state relationship.

IV. The state has experienced more minorities attending the public sector during expansion programs. In the latter part of the seventies, there was a declining enrollment of minority and low-income students. Public enrollment has been going up in the past ten years; private enrollment has remained stable. There is no shift in distribution seen from four year to two year schools. To a certain degree, federal policies have been a factor in the increase in the aggregate number of students attending post-secondary schools. Minority students are the ones most effected by the changes.

V. The state is not responsive to these kinds of things.

VI.a. If SSIG were to be eliminated, there would not be a large impact on Ohio. SSIG is not a big part of the pie there. The state would pick up the federal part, it would not underfund its own tables. There might be an impact with respect to timing; that is the state might need to reduce

awards in a year before legislation went through.

SSIG is one of the best federal programs.

Ohio would not be interested in more discretionary use of the SSIG funds. This would not be beneficial to the state because they would not use them any differently anyway.

VI.b. The state has not responded to changes in Pell. The one response to GSL has been the possible development of a state loan program financed by the sale of bonds. This is in the early stages.

VI.c. None given.

VII. Federal student aid programs are not understood any better or less than other programs.

Analysis is not centralized in this state. The Student Loan Commission would probably do analysis of GSL matters. The Board of Higher Education would probably have imput into federal programs analysis. There is no coordination of executive and legislative analysis.

In the past two years, Ohio's budget has been cut 15 percent. As a result, higher education's share of the state budget dropped from 14 percent to 10 percent. Federal policies are counter-reciprocal, state efforts are consistent in one respect counterreciprocal in another.

Ohio has no problems with lead time. Analysis done is ad hoc. Information is sufficient.

encouraged the institutions to work with the Department of Education directly. The state does not seek a greater involvement in this role. The relationship between the state and the feds is proper as it now stands.

IV. Wyoming's one proprietary institution is vocational. There are no distribution shifts between private and public schools. There is no shift between two and four year schools. There is no change in the aggregate number of students.

V. None discussed.

VI.a. The state is utilizing approximately 80% of the incentive grant program and has had to sell colleges on the use of federal money. The impact of eliminating or reducing the program would not be as serious here as in other states. There are ample state resources for education. State student financial aid officers seem to feel that students appreciate education more if they have a commitment, i.e., student employment, college work study and loans. The impact would be negligible and there would be no affect on the access if the program were eliminated. The grants given to students are very small so that they can go to a greater number of students.

The program is administered exactly as it should be.

Respondent indicated that in his opinion grants are necessary and that the program exists as it should. Here, he would differ with the financial aid officers who would probably choose CWS over a grant program.

VI.b. The state has relied on student aid officers to identify any need group which is not provided access. The state then steps in.

VI.c. None discussed.

VII. There is equal ignorance on all federal programs as they impact the state.

The state's analysis of federal programs is decentralized. The community college commission is probably the sole state entity for post-secondary involvement. The state depends on the congressional delegation to help with the analysis.

The State does feel that it is given enough lead time. Analysis is done ad hoc or "ad hope." The State is given sufficient lead time. They credit this more to the SHEEO than to the Federal government.

The State has experienced a favorable economic climate an has had the resources to respond. Therefore, is not as concerned about the Federal budget. Federal policies neither exacerbate nor are they countercyclical, while state efforts are consistent with state policies and countercyclical with national policies.

VIIIA The State has a work-study program.

VIIIB None given.

VIIIC None given.

VIII.a. The state is in the process of doing a survey regarding the possible development of a state loan program financed by the sale of bonds.

VIII.b. None given.

VIII.a. None given.

OKLAHOMA

II.A. Federal programs have had a positive impact on the state. For example, in SSIG, the state has in this past year for the first time, slightly overmatched the federal contribution. In the past year, this has represented a significant increase in the state contribution.

II.B. SSIG is the best example of the leveraging factor. Oklahoma was an evenly matched state, within the past year it has become a overmatched (slightly) state. Another example of leveraging would be with the tuition fee waiver scholarship program. This permits institutions and the state system to use a percentage of the last year's education budget for fee waived scholarships. This effected 9,500 students in 1981-82 (based on 1 percent). In 1982-83 the fund increased to 1½ percent, but there is no figure yet as to how this translates into people or dollars.

II.C. State tuition and fees have been kept low. There are no enrollment caps. Aid is to the students, not to the institutions in Oklahoma.

III. The state indicated it would send a narrative on the appropriate balance question. This has not been received yet.

IV. The state has not seen any changes in the student demographic variables as effected by federal policy. At one point it did note that there were more vets and minorities attending. No changes seen in aggregate number of students.

V. The state is working on the remedial and developmental programs for minorities.

VI.A. It is difficult to say what would happen in Oklahoma if SSIG were eliminated or reduced. For the most part there has been dollar-to-dollar matching in the state. It is difficult to say what would happen. The incentive to start the program came from the federal government. It is unknown whether or not the state would continue its share if the federal program were ended. Those most effected would be needy students; the impact would be significant but not devastating.

No changes should be made in the program.

The state feel it already has discretion in the use of funds.

VI.B. The state's response to changes in Pell and GSL has been one of lobbying. Also, the state incorporated federal eligibility into the rules and regs of state programs.

VI.C. None given.

VII. Students generally understand financial aid. There is wider publicity on this than on other programs.

Analysis is centralized in the State Regents Office, but they do not cover all the available programs. For example, campus based programs are analyzed in that agency. The Regents inform the state legislature, campuses, and lending agencies. Upon request, analysis of legislative

and executive is coordinated as needed by the Regents.

Oklahoma feels that it is not given enough lead time. This is one of the larger concerns of the financial aid community. Analysis done is ad hoc. Information is sufficient when it is received in time, generally it is not.

Regarding the economy, the state has always tried to respond in a positive and timely fashion when assistance was needed, sometimes the federal support is there and sometimes it is not. Federal policies are not a problem, the timing of them is. State efforts have been consistent.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

OREGON

II.A. The impact of federal policies on this state has been broad. In the late sixties, there was an infusion of federal money into student aid, and the Oregon programs began to stagnate because the money was coming from the feds. State programs were supplemental. Now federal aid is decreasing and the state is in a position which does not allow it to make up these decreased because there is no money. The state has coordinated state programs with federal programs.

II.B. Oregon is an overmatched state. A program existed prior to SSIG but it was not open to as many students. The respondents did not really see a lot of leveraging going on as a result of federal programs. SSIG is, of course, an exception and an example of leveraging. In Oregon this took the effect of opening the program up to more students when the federal program began. Tuition would have gone up anyway, it has not gone up that much.

III. The balance between the two is not as important as the role of the two. Respondents indicate that the role might be as in business, the federal government would provide a product (money). The state would be the government's wholesaler, and schools would act as retailers to customers (students). In other words, the system would not function well if the federal government cut out the wholesaler -- the middle man. If the feds have money, it should be spent on

financial aid. Over the years, the federal government has not done a good job of working with the states on federal funds. State are not involved in the process, have very little to say about what money they are getting and how to spend it.

IV. There is no data to support shifts in student demographics as related to federal policy. Inflation hit Oregon hard. Private institutions needed to increase tuition. Feds may have had a role in keeping private enrollment stable. Enrollments are increasing at two year institutions, but that is more a function of their emerging role and is not related to federal policy. If federal support were withdrawn, enrollment would be negatively effected dramatically. Oregon sees a problem with independent students (the state accepted the feds' definition of independent students in order to keep the system uniform. This doesn't mean that they have always agreed, but have found it easier on institutions and students.) It is felt that independent students are onto the game and have learned how to qualify. This is a result of awareness not a major change. This is especially operative in the middle class which now takes a large part of the pot which may have gone to poorer students. People are wise to the rules.

V. The state is reaching a point where it may need to tighten the definitions of independent student even if the

federal government does not. If this does not happen the state will end up giving two-thirds of its aid to independent students.

VI.a. If SSIG were eliminated or reduced, the state would not maintain the program at the same level. It would keep up the state part of the commitment. The overall effect would be a reduction in student access.

SSIG is the most efficient federal program. It is well administered.

Discretionary use of funds would be a positive step forward. The state has a bill in the legislature now which could be looked upon more favorably if it has such federal support. VI.b. In response to changes in PELL and GSL the state makes comments and tries to get it policy more in line with the federal's. The state response is dictated by federal changes. If these programs are reduced, the state will not be able to pick them up. PELL has been modified annually along with the feds.

VI.c. None given.

VII. The federal student aid policies are better understood. Student beneficiaries understand how to get federal money because of regulations requiring state to inform them.

The State Scholarship Commission is the central point for analysis on federal student aid matters. Counsel is also responsible for coordinating information between the legislative and and executive branches.

The state feels that it does not have sufficient lead time. It analysis of the matter is sustained. Problems as they come up are done on an ad hoc basis. Information is sufficient. Although, sometimes the state feels they need to push for the information.

The state is experiencing high unemployment. Cannot respond additional money. With respect to student aid there is really no effect of federal policies.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

RHODE ISLAND

IA Rhode Island had a state program in effect prior to SSIG, but it was a scholarship program only. After the initiation of a federal SSIG program it became a scholarship and grant program. This is not seen as being tied exclusively to the Federal program.

IIB Rhode Island is an over-matched state which had a state program in effect prior to SSIG. Respondent indicated that there is absolutely no leveraging of state funds by Federal policies and programs. (Growth in the state grant program is a function of a built-in growth factor in the appropriations process as set by formula.)

IIC Tuition levels have been increasing over the past five years, but this is a function of anticipated state appropriations, not the Federal policies. There may be more federal impact on tuition levels at the private level. Although the general expansion of student aid would be compatible with raising tuition levels, there is of course constraint on this when funds are cut back.

III The only response given was that it is critical, given a state with economic difficulties more extreme than the national average, that federal support be maintained at peak.

IV No changes in student demographic variables are seen as tied to federal policies.

VI None.

VIA Respondent indicated that there would be no real impact on the State if the program were eliminated or reduced. The appropriations for the program are set by formula. The State would not replace federal funds. It is unknown whether each award would be reduced slightly or the number of eligibles would be reduced. The program has grown every year. This growth is not due to federal policy, but to a built-in growth factor in the state appropriations formula.

Respondent indicated that one thing that would make the SSIG program more efficient would be less stringent recording requirements by the Feds. It is a burden on the State to maintain individual records of each student receiving funds and to have to indicate which portion of the student's aid is SSIG money. It would make more sense to be able to say overall the State complies and indicate that the money is blended.

Discretionary use of funds would be a useful option. Rhode Island has a state-work opportunity program. However, when the State applies for SSIG money it must state how much grant and scholarship money the state will put in and can't count how much money has gone into the work

program despite the fact that the program is in a needs-based student assistance program. With such discretion, the state could count the work money as part of the obligation.

VIB The State's major response to Pell and GSL changes has been one of lobbying. The State has attempted to talk to congressional representatives about the impact. Changes in Pell could affect the State because, if a student becomes eligible for less money under Pell (e.g., $800 rather than $1,000), that reduces the student's resources and therefore increases eligibility for aid in the State's view. The State does not have more money to respond to this and must spread its money more thinly. Overall the State feels it can't do anything regarding changes in Pell and GSL because it must comply with changes.

VIC None discussed.

VII Student federal aid programs are probably less well understood than other major federal programs. The students don't understand them, the legislators don't understand them, and the institutions do understand them. One element of student aid is that it is not federal specific, the money gets blended in with the state money. As a result, people are probably not as aware of what the federal part is.

would be as compared to a program such as medicaid where the money comes directly from the federal government to the recipient and is not blended with state money.

Analysis of federal policy is not centralized in Rhode Island. Legislative and executive analysis is coordinated.

The state is not given enough time to respond to changes in federal policy. Rhode Island's major problem is that they begin building their budget 18 months prior to a fiscal year. When notices go out late from the Feds, by then the budget is with the legislature. Federal policy changes must predate implementation by 18 months in order for the state to respond. Analysis is ad hoc, information again is not given in enough time.

The state has its own fiscal problems which are probably exacerbated by federal problems. State efforts are consistent with economic conditions.

VIIIA None given.

VIIIA Rhode Island has a work opportunity program which is a needs-based program.

VIIIC None given.

SOUTH CAROLINA

II.A. Federal policies and programs have had very little impact on the state. To the extent that they have had an impact it has been imperceptable. There has been some impact on funding levels although there is no way to prove impact. It is possible that more state money might have gone into education if there had not been the federal programs. However, the state will not be able to make up the difference in sharp drops in federal aid.

II.B. South Carolina is an overmatched state. Respondent indicated that it has not had a leveraging effect. Overall, SSIG has not had the impact it should have. SSIG is used in South Carolina for students at in-state independent colleges. There is no state program for students going to public schools in-state.

II.C. Although there is no data to support this, it is possible the institutions have raised tuition and fees more quickly than they otherwise might have.

III. The balance is generally the way it should be. The federal government should have a major burden for responsibility and the state should supplement its efforts. The relationship should not be revised. More state involvement in the distribution of funds would be disastrous to the financial aid community.

IV. Although there is no data, it seems that there have been an effect by federal policies on the student demographic variables. Probably, private enrollment has remained stable as a result. The state is experiencing more of an increase in enrollment at two year than at four year institutions. Veterans benefits also effect this; Vets receive the same amount regardless of an institution's tuition, and therefore more often choose the less expensive two year schools. Federal policies and programs have certainly had an effect on overall increased enrollment through the years. The major effect has been that lower-income students have been given access. As a result of cut-backs, more middle-income students will end up at public institutions.

V. None.

VI.A. If SSIG were eliminated or reduced, the state would not replace the funds.

Respondent indicated that there should be a mandate mandate to have the SHEEO agency administer the program. There should be enforcement of equal access by private and public students based on need.

In respondent's opinion, work programs should replace SSIG. SSIG has not had a great impact on South Carolina. A work program would be better in the State.

VIB. There have been no real reactions in the changes in eligibility in Pell except that the tuition grant agency has requested and been refused more money.

VIC. None given.

VII. Federal student aid policies are less well understood. Recipients don't know as much and don't take the time to learn.

Analysis on Federal policies is not centralized. Any which is done is done by the Commission on Higher Education. Some is also done by the Tuition Grant Agency and the Student Loan Corporation.

The State feels that it is never given enough lead time. Analysis is ad hoc. Information is sufficient, but not enough advance.

The State's economy is poor. There is less money for education, and the State finds that it cannot react with additional funds at a time when the Federal is withdrawing support. Federal policies exacerbate. State efforts are consistent.

VIIIA. None given.

VIIIB. None given.

VIIIC. None given.

SOUTH DAKOTA

IIA Not discussed.

IIB In the past, South Dakota experienced a slight leveraging effect with SSIG. This was not to a great extent nor seen as being very important. The South Dakota legislature has not been putting up the money and looks at the program as "bait or seduction money" with a great deal of reluctance. Any leverage which does exist is growing less important all the time. South Dakota is an over-matched state.

IIC Tuition fee levels are moving up faster than state support level. The State has increasing admission standards, but this is not a direct consequence. The State feels that its resources are limited and they should be used more effectively. There are no enrollment caps. There is a program review which will force the issue of whether or not marginal programs should be maintained. It is seen that student enrollment will decline over the next 10 or 15 years, nationwide. This is not tied to federal policies.

III Respondent indicated that the Federal government should have a heavy role supporting student financial aid and research. The feeling is that the Feds are responsible and the State shouldn't take the pressure off of them. The government should get out of the business of involving themselves in the development of new directions; they shouldn't

tell the state how to do things when they don't know how. The Federal government should get out of the programmatic area.

IV South Dakota has experienced a slight movement from the private to the public sector. The enrollment at some private schools has grown while the enrollment at others has decreased. Of those private institutions which have lost enrollment, all claim that the Federal government is the reason. South Dakota has no two-year system. The State has had an overall enrollment increase in the aggregate number of students, but this is not a result of Federal policies. The economy of the State has the greater impact. The middle class student is the one most affected by these changes.

V None.

VIA If SSIG were to be eliminated or reduced, there would be virtually no impact upon the State. Respondent indicated that the State no longer takes part in SSIG. This year, schools could elect to take part and not all the money was used. It is too late in South Dakota, they are not interested in the program any more.

As for discretionary use of funds, the State would object to the concept of taking "bait money" to develop programs which the State would not want to do otherwise.

This was previously, however. This year, the State indicates that it virtually does not take part in SSIG any more.

VIB Response taken by South Dakota has been in the form of lobbying.

VIC None given.

VII Federal student aid policy is better understood.

The Board of Regents does analysis of Federal issues. The legislative and executive branch do their own analysis. It is a small state and these three entities are in contact with one another a lot.

The State feels that it is not given enough lead time. Analysis is ad hoc. Information is sufficient and the State is given more than it needs. Things are in a constant state of change.

Federal policies have exacerbated many of the State's economical policies. South Dakota has a balanced budget law. Federal policy is not a positive influence.

VIIIA None given.

VIIIB None given.

VIIIC None given.

TENNESSEE

II.A. The federal SSIG program has clearly had an impact. The state initiated a grant program prior to SSIG but the court ruled it unconstitutional in 1974 and the program was defunded. In 1976, if there had not been federal money, there would not have been legislation to continue the program. Tennessee began its GSL program in 1963. The major impact of federal policy on the state level has been felt through these two programs. Other federal programs must have had an impact, but SSIG and GSL are primary concerns of the Tennessee Commission.

II.B. Respondent found it difficult to respond to the leveraging question. The student assistance corporation is a separate agency from the Higher Education Commission. Respondent doesn't really see leverage in Tennessee. It is speculated that the existence of Pell, GSL, etc. have muted critism which would have arisen every time the state increased fees. The state has been able to set fee rates as part of the overall budget consideration.

II.c. Federal policies have made fee increases easier to justify. The state has had some efforts to limit enrollment. There is a state program created and designed to close the gap between private and public tuition.

III. Although respondent has no figures to bear this out, the speculation is that the parental proportion of the cost of a student's attendance has diminished since 1970, although the actual dollars paid out may not have diminished. As for the balance between state and federal, the division is not as important as it is between government and consumer. Tennessee money goes to Washington and comes back; there must be a program in place for students who can't pay anything. This means grants for students who can't borrow everything. Subsidy costs should be borne by the feds; a failure to do so would bring down the system. The cost of insurance should be handled by the state and the front end of the loan should be passed to students, whether it be origination fees or taxes. The state needs to be involved in lender participation. In the grant area, it should be handled at the institutional level with state oversight. As for suggested revisions of the federal/state relationship, Tennessee foresees upcoming further centralization at the federal level and the federal government is not equipped to deal at the local level. Ideally, the relationship would exist as it does now with SSIG, where the state has authority to recentralize to the institutional level. Tennessee would like to see Pell decentralized and

given to the institutions to administer. The feds have a responsibility for an equitable formula for distribution.

IV. Respondent has only a general sense of changes in variables as related to federal policies. Respondent speculates that without the federal programs, enrollment would be lower and there would be fewer private institutions. As it is, private enrollment is decreasing. This is not necessarily seen as a direct relationship to federal programs though. The two year institutional enrollment has grown faster. This could be because it is cheaper or because it is more convenient to commute. The total aggregate number of students has continued to grow modestly. This is seen as being tied more to the poor economy than to students aid policies. The proposed and actual changes have fallen most heavily on graduate and professional students.

V. The state is having problems getting lenders to make ALAS loans. A bill has been introduced to modify bonding issues to ease this.

VI.a. The affect of eliminating or reducing SSIG would be a political judgment, according to respondent. Eliminating the program could easily tip the balance between those who support the program and those who don't. Respondent is fearful that a demise of SSIG would put legislators in a

position whereby they would put money into other functions--either other state functions or other higher education functions. As a result, the state would lose the ability to serve a number of students. Cuts would probably not deny access because costs are low, however choice would be restricted.

SSIG is thought to be the best structured federal program.

Regarding discretion in the use of funds, if work programs are slipping to the forefront rather than SSIG, Tennessee has no complaint--if that is the focus.

VI.b. Regarding GSL, Tennessee has been able to use liberalization of programs to vastly increase participation of lenders. This has put the ALAS program on the line.

VI.c. None discussed.

VII. It is hard to say whether or not the programs were better or less understood. Generally, they are probably not understood.

State analysis of federal policies is not centralized. The Higher Education Commission does some work on it but is less equipped than other equivalent agencies to deal with analysis or impact. Legislative analysis is not done. The Executive Branch does not have a staff which analyzes.

The state does not feel it is given enough lead time. Analysis is ad hoc. Insufficient information is given.

It is difficult to determine a direct relationship between the state's economic condition and federal policies. Federal policies probably exacerbate and state efforts are consistent.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

TEXAS

II.A. Federal policies have affected state policies in only a tangential manner. However, in 1974 with SSIG, the state grant program changed from a tuition equalization program to the private sector and funds were made available for public institution students.

II.B. Texas is an overmatched state which had a program prior to the federal SSIG program. However, the state grant program was used for the private sector only. Subsequent to SSIG funds became available for public students. The SSIG program has had some leveraging effect, although not a lot. Other than initiation on the federal part there is no leverage.

II.C. The greatest single support for post-secondary education in Texas is seen as being a low tuition rate for the public sector. It is unclear whether this is a result of federal policies. Two "prestige" public institutions in Texas are tightening the enrollment requirements; this is not related to the financial assistance programs. The state is now seriously discussing raising public's tuitions.

III. Respondent is hardpressed to know appropriate balance. As for a suggested balance, it would be a better thing if federal programs were designed as not to penalize states with, for example, a low tuition policy. High tuition states receive a proportionate share of the money by qualifying for more federal support. State educational

agencies should be more involved with federal funding distribution to institutions. Institutions would probably disagree with this. For example, in the SSIG program the money flows through the state and is monitored carefully. If it is misused or not used it is reallocated to another institution. A lot of federal funds are seen as being squandered at the institutional level.

IV. Federal policies have enabled more students to attend private institutions. Statistics would indicate that a smaller number of students are now enrolling at private schools. This does not exist to a great extent; it is rather a smaller growth factor. Two year enrollment has grown at a greater rate than four year enrollments. Overall, enrollment in the state has continued to increase.

V. Nothing is planned.

VI.A. The elimination or reduction of federal support in the SSIG program would mean different things to different students. In the private sector, money which is now available would be reduced. With a lowered SSIG funding there would be a lower state effort. In the private area the state exceeds the federal contribution. The result would be reduced amounts going to the same number of qualifying students. In the public sector, money comes

directly from institutions. With the SSIG source diminished there fewer students would receive grants.

The only recommended change in the program would be regulatory. In this the states would not have to specifically dollar-for-dollar match the federal program in each student's package. Rather, there would be a situation of allowing states to structure it as they wish as long as the state grant is equal to the federal grant. As it is now in Texas, they need to issue additional checks in order to have an audit trail. Otherwise, the state is pleased with the program.

More discretion would be valuable if it were flexible and nonrestrictive.

VI.b. The state hasn't done much in response to changes in PELL and GSL. This is tied to the low tuition rate at public schools.

VI.c. None discussed.

VII. Federal student aid programs are less well understood. The programs are complex and numerous. State policy makers don't understand them either.

The state is reasonably well centralized in its analysis of student aid. The Coordinating Board has more responsibility than others. The governor's office relies on the Board. Legislative and executive coordination is reasonably well done through the Board.

The state does not feel that it has been given enough lead time. The feds have shown amazing consideration for those responsible for coordinating state policy. Texas' legislature meets only every other year. It is difficult to coordinate in such a close time span. Analysis which is done is ad hoc. Information is insufficient. It has generally been very hard to get the information needed about what the federal programs are doing. Until recently, Texas' economy was favorable. The state has continued to put in an increasing share; e.g., students in private sector are paying less than 3% of costs. As inflation increases, student aid has been absorbed by the state. During Reagan's administration, federal policies have exacerbated economics. State efforts have been countercyclical. The ability of people to pay has probably increased, but they haven't been asked to. The state is seriously discussing raising public tuitions.

VIII.a. None discussed.

VIII.b. None discussed.

VIII.c. None discussed.

UTAH

II.a. Prior to GSL, no one realized the magnitude of need. GSL is now the largest program in Utah. Last year, the state extended 50 million dollars in loans as compared with 1 1/2 million dollars in all other programs put together. Overall, (other than GSL), there has been a very limited affect of federal policies on the state because of the low level of programs.

II.b. Respondent sees no real leveraging. The State Board of Regents is concerned about and lobbies for GSL. For example, the elimination of graduate students would be devastating to Utah. State support has been dropping off. The legislature takes a dim view of grants except for disadvantaged students. The Board agrees with this. There is no effort to support NDSL, Pell, etc. Utah is an evenly matched state.

II.c. Determination of capitation grants for medical students has had an impact. The state has had to raise tuition in medical school to offset the loss in capitation grants. The state has tuition waivers for 10% of the total number of resident students. This is based on need and academic quality. At the graduate level, there is extensive use of waivers to graduate teaching assistance.

III. No discussion of balance. Regarding role, respondent sees no need for state involvement. GSL is the only program where centralization is warranted. Utah has worked out mechanisms for decentralized financial aid and it is working well. Money is passed to institutions. Centralization should be at the institutional level. This would eliminate the building of empires. The state is anti-bureaucratic. It supports good accountability and a centralized and lean system.

IV. Respondent was unable to identify demographic variables as affected by federal policies, in fact, does not see federal financial aid policies as having any impact. There are more significant factors. Enrollment trends are a function of unemployment, not a function of financial aid at all. The state is experiencing heavy enrollment increases in science programs. Public schools have open admissions subject to availability. Apparently, public schools are turning 1500 to 2000 students a year away.

V. None given.

VI.a. The SSIG program is small. Eliminating or reducing it would have some impact on disadvantaged students. Legislatures have indicated that if SSIG is lowered they would shift state money into a work study program not at an

increased level. If given discretion, the state would probably move gradually toward a work study program.

SSIG is emphatically supported, it gives aid officers flexibility in putting together packages. Aid officers are at variance with the legislators.

VI.b. Response to PELL and GSL changes has been primarily to the student financial aid administrators at the institutions. When they have made their concerns, this is reflected to the Board and results in lobbying efforts. Utah is a middle class state and GSL cuts hurt the middle class.

VI.c. None discussed.

VII. On the whole, federal student policy is probably the best understood.

Analysis of federal policies is centralized with the Board of Regents in issues of planning and finance. Most other issues are analyzed at the institutional level and by the state association of financial aid officers. The Regents maintain a light hand. They have a great distance between schools in Utah. Legislative and executive coordination is run by the Board.

The state feels that it is not given enough lead time. This is one of the most serious problems the state

encounters in dealing with federal policy. Respondent cites as an example the delays in getting out information about compliance with truth in lending regarding promissory notes. The state spends a lot of money and in the end it wasn't necessary. As another example, last fall, institutions went several months without knowing the allotments. Analysis done by the state is ad hoc. Information is insufficient.

Generally, federal policies are countercyclical. State efforts have not really responded or changed.

VIII.a. None given.

VIII.b. Respondent indicated that if SSIG funds were lowered significantly, the state would probably shift money into a work study program but not at an increased level of funding. If given discretion on how to use the SSIG funds the state would probably move gradually toward a work study program.

VIII.c. None given.

VIRGINIA

II.a. In Virginia, federal student aid is the base upon which programs are built; state programs augment federal ones. Without federal aid, the state would be "bigger into the student aid business," which would result in a smaller state system. Over the past ten years, the state has built a sizable non-need based program for private students.

II.b. Virginia is an overmatched state. Up until last year there was no leveraging by federal programs. In fact, the opposite was true because policies had been becoming more and more generous. Last year, because it was clear that programs were under fire, there was a good dose of money placed in the institutional budget and there was a mandate to start a work study program and a need based program. SSIG is the only leverage program the state has now, although it has had a minimal kind of leverage because its been the minimal requirement, that is in maintenance of effort required.

III. If Virginia had not had the federal programs, it is predicted that it would have had a system within which there would have been more aid and less access, i.e., a smaller system. Because Virginia was giving out small grants to a lot of people it has under consideration a law which respondent describes as a program of last resort. It would take

the statewide need based program and after considering family and student contribution, PELL, etc. if a student has $1,000 of need he/she could get up to 65% from the need based program. Respondent commented that Ronald Reagan's proposed program (40/60%) turned the federal program into augmentation rather than base. This would not be good for the state.

Tuition and fee levels to some extent have been immune; in other ways they have been raised in recognition that there is aid available. Without the federal program enrollment caps would have come sooner.

III. Physically, Virginia would like to see feds continue to play a role as the provider of the financial aid base to students (on a need basis) and to pay a share of research. The feds need to recognize that states, rather than colleges and universities, are out there and be more conscious of the relationships which exist between operating budgets, capital budgets, and financial aid, and to recognize that a change in financial aid programs is not simply a change in student plans. It involves potentially massive changes in state programs and planning.

The states don't want to intrude on the workings of the institutions, but it wouldn't be bad if the states were

allowed to administer block grants and target money for their own needs. The state ought to be a party to planning which goes into where the money is going.

IV. Respondent indicated that it is difficult to know whether or not, in the private sector, federal policies had made a difference in enrollment. Probably it does. Virginia combines a non-need based grant on top of what might be means justification that produces Pell and access to NDSL and CWS money. Virginia has a wide range of private colleges, and at some it certainly has made a difference. A bigger difference is seen in the public institutions. There, federal programs have made it possible for some who might otherwise not have had access to attend two year schools, while for others it has been possible to go on to four year schools or all the way through college. Regarding the aggregate number of students, there are no data to prove the impression that there are more students than there would be if there were no financial aid. The state did an "impressionistic" survey three years ago of students asking them: if "X" happens, what would you do. People indicated that they wouldn't go to school. This is not considered a reliable study by the state. Respondent indicated that the state has capitalized on changes by using money which was available to build more capacity to handle students.

V. None given.

VI.a. If the federal contribution of SSIG were eliminated or reduced it would "kick a program of last resort in the teeth" by taking 40% of the money out. That would leave a program so small that it would probably be abolished. Last year Virginia had 42,000 applicants and gave out 20,000 grants. Next year, on the new needs base program less than 10,000 will receive an average grant of over $400 (the awards will range from $400 to $1000).

No changes in the program were recommended.

It would be great if the states were allowed more discretion as long as they are not asked to trade off, for example, SSIG for CWS.

VI.b. The state is moving toward a change to a state need base program. After considering family and student contribution, PELL, etc. if a student has $1000 of need, he/she can get up to 65% of that need from the program.

VI.c. None given.

VII. Federal student aid is not as well understood as other programs because there isn't any easy way to make precise correlations between the federal and the state.

Analysis of federal programs is centralized with the Department of Planning and Budget. It is respondent's opinion that this agency handles it badly while the State Council of Higher Education does it well. The legislative

branch turns to the Council for explanations. There is coordination of legislative and executive analysis but there is little legislative analysis.

The state does not feel that it has had ample lead time. Forms haven't been printed on time. No policies were released. The state has sufficient lead time on some matters and insufficient lead time on others.

Up until last year Virginia's economy was going well. The growth commitment was strong and moving and higher education had more access to it. Federal pull-backs are not countercyclical because enrollment had come close to peaking and it was seen as possibly time for levelling out the financial aid support. Reagan's proposal exacerbate difficulties.

VIII.a. Virginia is now considering a statewide need base program. After considering family and student contribution, PELL, etc. if a student has $1000 of need he/she can get up to 65% from the program.

VIII.b. None given.

VIII.c. None given.

WASHINGTON

II.a. Washington has experienced relatively little impact from federal programs and policies. In the early 70's the implementation of SSIG stimulated the existing state program (established 1964). The state doesn't tie as closely into the PELL mechanism.

II.b. Washington is an overmatched state. Federal policies have not served to leverage additional support. Perhaps some additional state student aid support has been generated, but there has not been a significant effect on state appropriation. A more relevant issue is state revenue availability.

II.c. Increases in aid in the late 70's may have made it easier to enact tuition and fee increases. The tuition sensitivity in PELL has contributed slightly to the feeling that fees can be increased with less risk, although there are other factors involved. Any links are very marginal. The affect of GSL was that legislators felt that students could borrow money. The primary affect of federal programs with the ability of individuals to make a positive choice to enroll.

III. Washington's opinion is that if the federal government should get out of direct assistance to the students. The state's heaviest role is support for institutional operations. The state effort ought to be increased and the feds should stimulate that. The federal role should be

strong but the greater portion should be linked up with the state which has the lesser role but a strong role in support of institutions. One thing which has caused difficulty is the Pell program, which brought Congress into questions of needs analysis which aren't needs analysis. The notion that, for example, $1500 is given to a student is popular politically. It should be regularized so that people know which part of a package they can rely on. The Administration has been attacking things which should be strengthened. Regarding the role of the state in funds distribution, more oversight is needed. As for revision of the relationship, "it is going to follow the money." In large part, it's up to the state in terms of the role they play in taking the initiative. The Department of Education and state student aids agencies should have a commitment to consult. There is a need for involvement by state student aid offices, SHEEO, etc. into some decision making and planning. SSIG should not be eliminated; it should be used as a base for more assistance.

IV. In the opinion of respondents, the growth of financial aid in the late 70's assisted private institutions in accommodating moderate growth while costs are increasing. It is conjectural, that there may have been fewer independent institutions otherwise. Federal policies have not had

an effect on enrollment shifts or distribution in the public system. Respondent couldn't quantify any changes in enrollment. One-third of the state's full-time students are receiving aid. This number would be lower without programs. The state is now seeing an increase in aid applicants and a modest decrease in entry enrollments. Institutions can't respond to the demand. An increase in demand is tied to high unemployment. Fewer people are getting aid and fewer people are attending at all this year. This is also tied to a low state revenue. Full-time students dropped from 153,000 to 147,000. It is also conjectural that diminishing student assistance has hit lower middle income students the most.

V. The state is attempting to gain additional appropriations through a variety of bills to broaden the authority for tuition and fee waivers.

VI.a. If the SSIG program were eliminated 2,000 students would be dropped. This would have a direct effect on their access. These funds are targeted to the neediest students and the state would not be able to replace the federal contribution. In contending with last year's reductions, the state has had to lobby hard for replacement of money, and while some support has come from the governor's office,

it is unknown what the legislature will do.

SSIG is the most efficient federal program going.

Washington has one of the largest state work study programs in the country. Discretion would be fine as long as it were flexible with no penalty for existing programs.

VI.B. The GSL changes were supported by the state, therefore there was nothing to respond to. The eligibility changes in Pell were seen as not being that great.

VI.C. None given.

VII. Federal student aid policies are less well understood.

Washington feels that its analysis of federal programs is both centralized and decentralized. The Council for post-secondary education does analysis impact on the portions of the budget affecting education as sent around by the governor. The governor's office is a clearinghouse. Analysis between the legislative and executive branches is shared.

The state feels the changes in federal policy have not been announced with sufficient lead time. Analysis is usually sustained sometimes ad hoc. Information is insufficient.

Federal efforts are countercyclical. The state was in good shape through 1979 and aid appropriations grew at a tremendous rate. Some individuals who didn't need it were receiving money. Beginning in 1980, the state had a more difficult economic period and at that time there was federal retrenchment. State efforts have had to be consistent with economic conditions. The state now has an 8 1/2% sales tax. The state must have a balanced budget.

VIII.a. None given.

VIII.b. Washington has the largest work study program in the country.

VIII.c. None given.

WEST VIRGINIA

II.a. West Virginia had a state grant program in existence since 1968 and the SSIG program allowed expansion of that program in the mid-70's. PELL created considerable resources. Had it not developed, there would have been greater pressure for a state grant program. GSL has had a strong impact in the last three years. West Virginia is one of the last states to move to state administration. Loan volume was extremely low. The Higher Education Assistance Foundation administers the loan program, not the Board of Regents. There has been an increase in the number of banks participating. The state grant program had its first cut-back at the federal level, people starting looking to GSLs. Overall there is not seen to be any tie to federal policies. Factors are more in response to state difficulties because educational appropriations are going down. There is more reliance on student fees.

II.b. There is a minimal relationship and not a great deal of leveraging. There has been some growth in SSIG; the year it began the state grant appropriations trickled. West Virginia is an overmatched state. In effect, the SSIG program had nothing to do with it; it was completely incidental.

II.c. Students in private institutions received higher maximum awards for this year. Awards to students in private institutions were reduced to accommodate increased fees at those institutions. Part of it has to do with the differential. There have been proposals in the state to create a voucher program for private students which would reimburse West Virginia colleges (private) for fees for West Virginia students. Because the federal money hasn't been there, the private sector is pushing for money to offset restrictions in GSL. The state has begun fee increases. This is occurring as educational appropriations in the state are being reduced and the state finds itself more reliant on student fees.

III. Last year was a pilot year for the state in developing a student data base. Data from this is not yet available.

<u>The respondent has requested that his opinions on the state role not be specifically identified with the state of West Virginia in any final report</u>: Respondent's opinion is that there is a lot of logic in providing the state with a role in the distribution of money to institutions. It is felt that the states could benefit from better information on the allocation of money.

On the revision of the relationship between the federal and the state, respondent indicated that there should be a better information exchange. There is not a lot of direct information being exchanged at this time and that could be improved.

IV. There is not a major shift between the private and the public sector. From '81 to '82 public enrollment actually decreased very slightly and private enrollment increased minutely. The feeling is, however, that more students are staying close to home and commuting. There is no data to support this. There is some increase in community college enrollment although this is not major. Overall aggregate attendance fell off slightly but not to a significant extent.

V. Fee levels will probably go up but this is not in direct response to federal policies. It is more an affect of the state educational appropriations being reduced.

VI.a. If SSIG were to be eliminated it would not put West Virginia out of the program. The practical affect would be fewer recipients or smaller awards. There is, however, little chance that the state would offset the difference. There would be more likely than not be reduction in access, but there are so many variables it is hard to predict.

SSIG is an efficient program which should serve as a model for what state/federal partnership ought to be.

West Virginia would react favorably to discretionary use of funds, it would give states with need the opportunity to meet those needs. However, this discretion should be permissive not mandatory.

VI.B. West Virginia's major reaction to changes in PELL and GSL has taken the form of lobbying.

VI.C. None discussed.

VII. Federal student aid policy is not well articulated. It is less well understood than other programs, e.g., categorical programs.

Note: this information is not to be attributed directly to the state of West Virginia in a final report.

The state does not receive enough lead time. The state had a problem with the Pell formula this year. It would appear that the feds are manipulating the system to accomplish that which has not been achieved, i.e., cuts through the appropriations process. Application volume is down and that is partially attributable to the lateness of forms. Analysis done is at ad hoc and their information is not sufficient.

The state's analysis of federal policies is not totally centralized. Generally, there has not been a lot of analysis of the impact of these programs. The state doesn't have a working unit primarily assigned to such an analysis, it depends on the program. For example, a threat to cut research dollars would incur the involvement of the institution most likely to be involved. On student aid issues, the Board of Regents coordinates with the institutions to determine impact. Legislative and executive analysis is probably not coordinated.

VIII.a. None given.

VIII.b. None given.

VIII.c. None given.

WYOMING

II.a. Federal programs have not significantly impacted the state. Colleges have gained appropriations from the state for student work programs. It is, however, a continuing concern of the school administrations that state response will be needed to balance future federal cuts.

II.b. Leveraging is not seen as being operative in the state. There is no real state plan and state decision makers perhaps feel guilty enough over the absence of such a plan to appropriate money for the work study program. Wyoming is an evenly matched state which claims it has had to sell colleges on the use of federal money for the incentive grant program.

II.c. Wyoming has continued to be independently minded with regard to federal proposals and have not encouraged them. The state's attitude toward student aid mirrors their attitude towards the federal government. For example, the state 1202 Commission participation was rejected by the state due to its reluctance to accept any strings which might be attached.

III. Responsibility for student assistance rests at the lower level: the state has a greater responsibility than the federal government, and the institution or district has a greater responsibility than the state. The state has